

MAINTAINING RESILIENCE AND FOCUS TO FULFIL OUR SUSTAINABILITY GOALS



رؤية
VISION
2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

SUSTAINABILITY
REPORT

2021



King Salman Bin Abdulaziz Al Saud
Custodian of the Two Holy Mosques



Prince Mohammed Bin Salman Bin Abdulaziz Al Saud
Crown Prince and Deputy Prime Minister and Minister of Defense

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Approach for Reporting

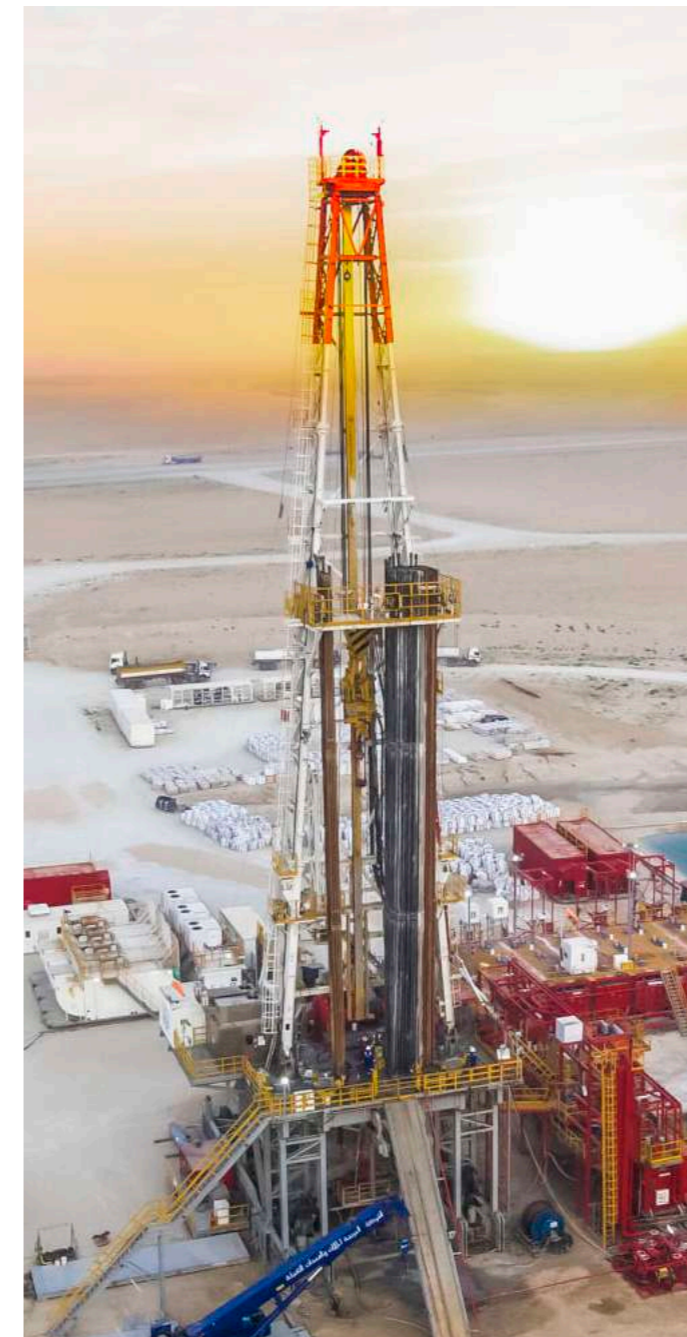
The year 2021 was the year of resilience and focus on sustainability goals at Arabian Drilling Company (ADC). The Company strengthened the operations, programs, and sustainability approaches and managed to maintain ADC as the leader in the drilling sector in the Kingdom of Saudi Arabia. Exceptional growth in the journey of Saudi Sustainable Vision was achieved. Our resilience has been proven by the fact that despite the economic challenges arising from the global COVID-19 pandemic, ADC has continued to grow throughout 2021.

The ADC's fourth sustainability report provides an account of the progress made in our sustainability journey and illustrates our achievements which have been detailed in a clear, reliable, transparent, and accurate way.

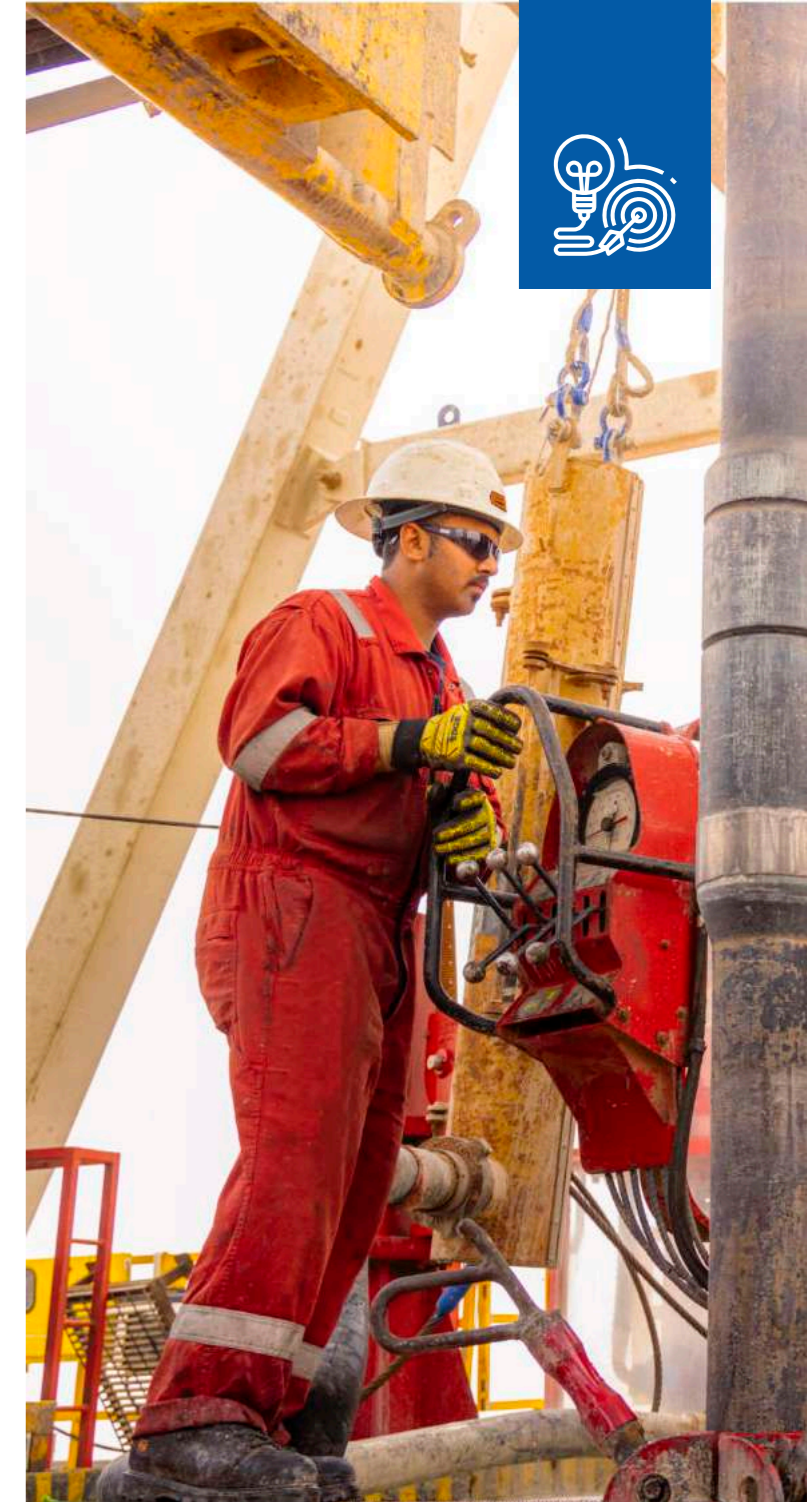
In this year's report, the key guidelines followed and adopted to exceed our clients' expectations are reported. The planned and implemented initiatives and projects which relied on a sustainable approach are also highlighted. This report aims to exhibit our achievements, sustainable initiatives, and best practices applied in ADC, in line with prioritizing our people, society, and environment.

Report Content

The report focuses on the seventeen materiality topics based on which ADC built our sustainability strategy and which have impacted positively our business growth and the satisfaction of our stakeholders. ADC engaged with stakeholders to identify the sustainability topics and pinpoint those that are material and that are of significant impact to ADC's business in 2021. ADC fostered and nourished relationships with our stakeholders by holding numerous workshops and discussion sessions to ensure our understanding of their expectations amalgamate effectively with ADC's sustainable objectives and long-term goals.



Arabian Drilling Company



Global Reporting Initiative (GRI)

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: 'Core' Option. The core sections include ADC's efforts and commitment towards people, governance, economy, operations, society, and environment. The report also includes details about our key achievements and future commitments and targets to uphold all pillars of sustainability. We have listed all references and the corresponding page numbers in the GRI content index at the end of this report.

Reporting Topic Boundaries

The material topics' boundaries include entities within ADC's direct control. These include direct employees, owned assets, and ADC's subsidiary located in the Al Khobar district of Saudi Arabia. For certain topics, the reporting boundaries also take into consideration ADC's indirect influence over these entities, which include various contractors and vendors with whom ADC has relationships for various business activities. The boundaries are clearly defined throughout the report for each topic.

Contributing to the UN's Sustainable Development Goals (SDGs)

ADC supports the United Nations Sustainable Development Goals (SDGs). Our contribution to eight of the Seventeen SDGs is highlighted throughout the report, including indicators to measure our performance against these goals.

Availability

This sustainability report is available on www.arabdrill.com, along with the reports for the previous years (ADC Sustainability Report 2017, 2018, and 2019).



Supporting Saudi Vision 2030

In 2016 & 2017, ADC aligned the work strategy in line with the Kingdom's Vision 2030, through its 2030 Vision Check Program. An evaluation of ADC's performance was performed in terms of supporting the Vision's pillars - building an ambitious nation, a vibrant society, and a thriving Saudi economy. ADC will continue providing the highest quality service and align our performance, goals, and targets with the Kingdom's Vision 2030. ADC will keep strengthening its connections and trustable relations to ensure that the industry leadership is accountable for competitiveness, workforce development, and Quality, Health, Environment, and Safety management.

Feedback and Suggestions

We welcome any feedback and suggestions on our activities and operations, including our sustainability performance and commitments. Please direct all your feedback to the email: sustainability@arabdrill.com



ADC at a Glance

Quick Facts

In the 58 years of services journey, ADC had a rich history in supporting the drilling industry with innovative solutions focusing on our people, society, and environment. In the endeavor to achieve Saudi Vision 2030, ADC is committed to exceptional business growth with day-to-day actions guidance by core and distinctive values related to trust, passion to work and pioneering the spirit of creativity.



EMPLOYEES
4033

TOTAL ASSET VALUE



SAR 6,504 million



WELLS DRILLED
291 wells
drilled in 2021

INTERVENTION WELLS
51 wells
at AD20



58
YEAR OF SERVICE



In-Kingdom Total Value Add (IKTVA) Award

Best Saudization (Services) for the 5th consecutive year: 2016, 2017, 2018, 2019 and 2021



Offshore Fleet Size
7



Onshore Fleet Size
38 (Including 5 stacked Rigs, plan to reactivate in 2022)



Facilities & Rigs
46



Drilling Efficiency
99.26% - Best Service Quality in the past 7 years



Saudization Rate
77%



Code of Conduct Awareness
87.09% for office employees & 97.11% for rig employees



Utilization of our rig fleet
84% (7 out of our 45 rigs are not operating until the end of Jan 2021)



Local Procurement
64.9%



Employees Satisfaction
82%



Customers Satisfaction Based on REI
93.73%



Loss Time Injury
38 Rigs without any LTI



HSE Events in 2021
37 Rigs without any recordable HSE incidents

Leadership Message



WELCOME TO ADC'S SUSTAINABILITY REPORT FOR THE YEAR 2021

For the fourth year, we are delighted to share our sustainability report with our stakeholders in accordance with the Global Reporting Initiative standards.

Ghassan Mirdad
Chief Executive Officer

The year 2021 was considered the year of resilience and focus for ADC despite all the drastic impact of the Covid-19 pandemic. The ADC team worked relentlessly to maintain our strategy of creating business and social values.

Moving forward on our sustainability and operational excellence journey, we continue to take strides to be the sustainability development leader and most admired drilling services solution provider in our areas of operation.

Our commitment to sustainability starts with the ADC Board of Directors who are focusing on developing business growth opportunities and on providing our people and stakeholders with all kinds of motivation, support, and protection in alignment with United Nations (UN) Sustainable Development Goals (SDGs). Our Senior Management has been actively overseeing sustainability practices for the past year and has been shaping our actions to limit the crisis impact on our performance and on our ability to stay aligned with Saudi Vision 2030.

Our 2021 Sustainability Report shows how we are integrating sustainable business practices into our strategies and activities. We detailed in this year's report essential areas covering the Governance Sector, Respect to Health, Safety, and Environmental standards, Growth of ADC business and improvement in Supply Chain Management, Empowering of Our People, Operations Achievements, Digitalization, and Innovation Projects. For each covered area, we have highlighted our road ahead for the year 2022 so that we ensure our commitment to achieve our yearly targets and goals in line with the Sustainability Vision of the Kingdom of Saudi Arabia.

Governance

Our key source of success is the satisfaction of our customers. Thus, we ensured in these two years to create value for the benefit of all stakeholders. We advanced in modifying, amending and improving our processes and activities in order to meet and even exceed their expectations. ADC team has shown a great sacrifice in putting lots of efforts into updating our policies and procedures as well as innovating and bringing many technologies to our operations which served the improvement of our performance indicators results and helped us to deliver exceptional work quality and keep our company the leader in the drilling sector in the Kingdom of Saudi Arabia.

HSE

A strong visible Health, Safety & Environment (HSE) policy is at the heart of ADC business and home life. Exceptional respect to the health, safety and environmental standards were demonstrated within ADC facilities and operations. We have been constantly promoting strong safety culture that permeates everything we do and stand for through maintaining regular HSE awareness sessions and workshops for offshore and onshore people. In addition, we have been providing essential courses and training for our new recruits as well as for our suppliers and partners. Consequently, we have been able to improve incident-free operations by achieving: 25% reduction in Lost Time Injury (LTI) frequency rate compared to 2019, 72% reduction in Total Recordable Case Frequency rate

compared to 2019, 40 rigs without any LTI, and 39 rigs without any recordable HSE events in 2021.

People & Community

We supported our internal committees where a remarkable involvement of female employees was noticed, encouraging them to take critical decisions in the company and making them also present at various leadership levels. We kept our yearly practice of celebrating the great achievements of our people with internal awards and recognitions and supporting them with many incentives to stay capable of facing the economic impact of the Covid-19 pandemic.

Saudi Vision 2030 has been our essential focus during 2021 and which resulted in achieving 77% of Saudization. We had a mission and commitment to attract unique talents and expertise to our different departments while improving the female presence. We were seeking feedback from our people, and we reached 82% of our employees' satisfaction during 2021. We have deployed the capabilities of our Irtiqa platform, which helped us to improve the learning and development of ADC employees while using digitalized techniques.

Training & Education

We invest in the training and development of all our employees, the majority of whom work on our rigs. These investments are critical to building a qualified workforce able to deliver at high standards and contribute to our culture of excellence. Our training and development programs, especially enhanced to support the ADC expansion project, are also an integral part of our strategy to create a solid talent pipeline to feed ADC operational and managerial needs for years to come. We have focused this year on consistently reinforcing the concept of sustainability and on improving our people's awareness about the ADC Code of Conduct and we have achieved 87.09% of training for office employees and 97.11% for rig employees. Moreover, we ensured to conduct essential training for our on-site staff as well as management departments. Such training covered the Drilling Practices, Emergency Response to Powerline Incidents, Fire Safety Trainings, Softskill Training and Management of Major Emergency Training.



Innovations & Operations

Despite the remote working and adjustment in work conditions, our IT Team has provided ADC people with the required IT solutions to enable them to work in a safe, seamless, and productive manner without impacting our business controls. Adding to that, ADC

people working onshore and offshore have shown an exceptional adaption to the work conditions modification and adjustment due to the Covid-19 pandemic and have united greatly as a team to ensure operations continuity and to focus on delivering safe and efficient performance exceeding clients' interests and requirements.

ADC did various improvements in the operational and business practices in such a way to survive and thrive in challenging market conditions. We have achieved a significant reduction in inventory and logistics costs. We have reached 16.4% of market share during 2021 and we have improved our local market to 64.9% in 2021. Additionally, we have exceeded the "Goods and

Services" IKTVA Objective score with a 39% result.

ADC is seeking to attain excellence in performance and service quality, empower people, suppliers, and communities as well to manage the impact of our expanding business responsibility. We are committed to a digital transformation in the oil & gas drilling industry to maximize the operational efficiencies, the execution of the wells and to maintain our leading position in the Kingdom. We have introduced a new department for Service Quality, to support operations, data analytics and performance optimization. 2021 was also a year of performance improvement in which ADC has reached its best Service Quality in the past seven years with a drilling efficiency of 99.26%. We have received the 2021 IKTVA Excellence Award for "The Best Saudization (Services)".

The award has shown how ADC people contribute and proceed to exert the maximum effort year after year.

With the introduction and adaption of optimizing projects and strategies such as the Rig Move Optimization Project, we will be able to enhance the Rig Move Flat Time Performance and to keep serving ADC to achieve high scores in the Saudi Aramco REI.

Stakeholders Engagement

We hold ourselves strongly accountable to achieve the satisfaction of all our stakeholders. Thus, we have implemented online banking payment for ADC's suppliers which was considered as a remarkable transformation in our journey of focusing on growing relationships with our suppliers. Moreover, we have improved our vendors' selection by launching the first phase of SAP Ariba, which will introduce artificial intelligence to our tenders and proposal analysis, contract review and rewards.

Road Ahead for the Year 2022

ADC's Sustainability vision will gain a lot of focus during 2022. We will continue to develop sustainable strategies to meet Saudi Vision 2030. We will keep prioritizing the wellbeing of our people and strive to benefit from any opportunity that can serve our local community. Together, we are achieving our ambition to raise environmental, health and safety awareness and develop a work culture that embraces diversity. We are looking forward to working with our stakeholders to maintain the creation of sustainable development to move towards a promising future.

Going forward in the IT 5 years road map, our IT Team has been provided with all the support to implement the planned projects and the essential platforms that can serve our standardization and digitalization journey. Some of these projects are the OFSAT SAP Preventive Maintenance Module Reform, the think IT Program, the Microsoft Information Protection, the Learning Management System and Success Planning System. Nevertheless, the hard work and focus of ADC crews and different departments will play an essential role in implementing and launching further phases of ADC Digitalization projects during 2022.



About ADC

A Sustainable Commitment

Established in 1964, the Arabian Drilling Company (ADC) is engaged in inland and offshore drilling activities and operates land rigs as well as offshore jack-up rigs in the Kingdom of Saudi Arabia and in the Partitioned Neutral Zone at the borders with Kuwait. ADC rigs are built to withstand harsh weather conditions and are operated by highly skilled, qualified, and professional staff.

Purpose

To integrate all aspects of sustainability in operations, to achieve excellence in performance and quality, empower our employees, suppliers, and communities, and responsibly manage the impacts of our growing business.



*Our Strength
ADC is well-positioned to handle the most challenging drilling programs.*



ADC is a Closed Joint Stock company between the Industrialization & Energy Services Company (TAQA), which owns 51% and the remaining 49% is owned by Services Petroliers Schlumberger S.A.



ADC major clients include Saudi Aramco, Al-Khafji Joint Operations (KJO) and Schlumberger.



VISION

Continue to be the leading drilling and most efficient services solution provider in our areas of operation



MISSION

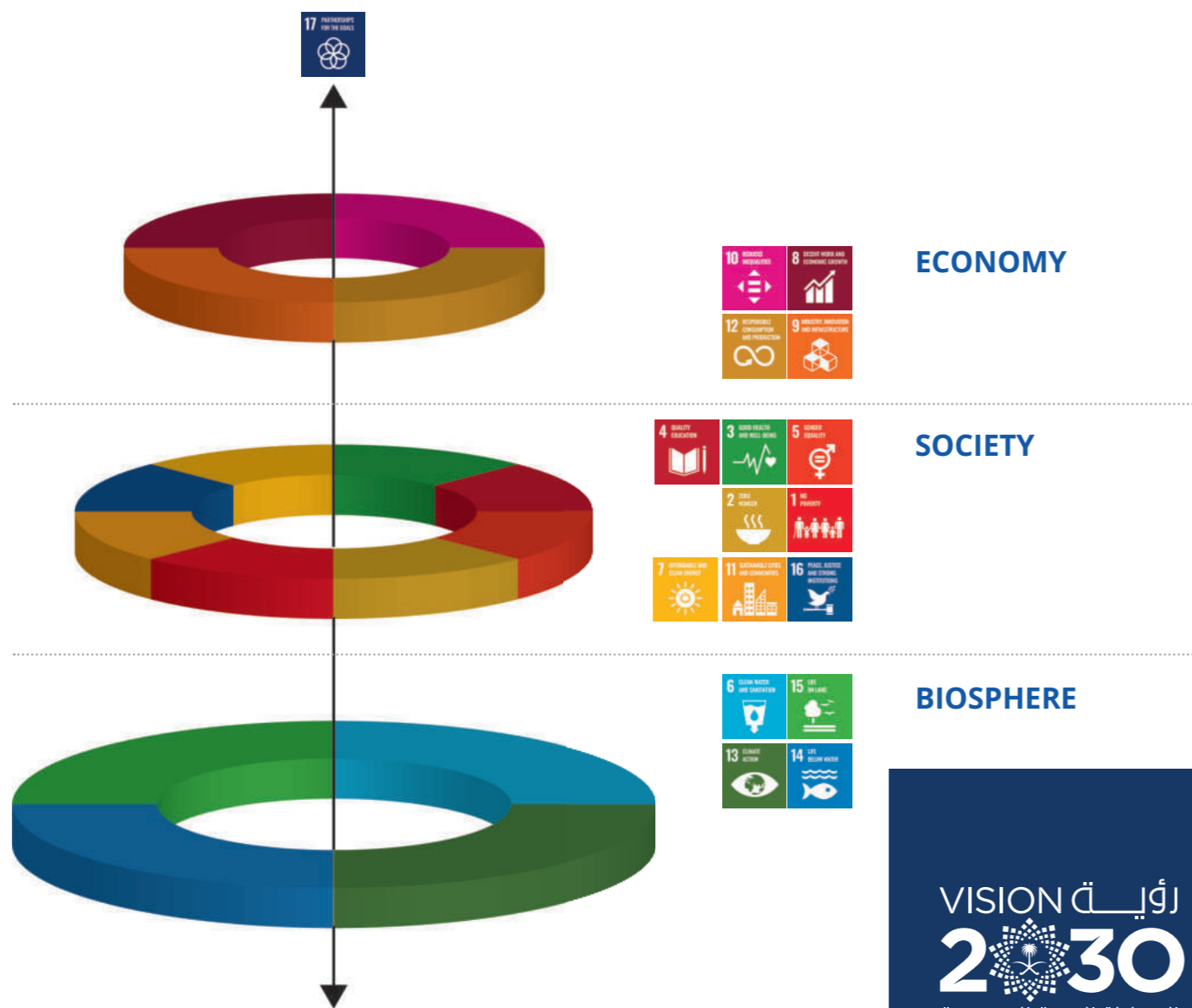
- » To promote a culture of outstanding quality service and to be recognized as an industry leader in the area of quality, as well as to maintain, as the cornerstone of our business, the health and safety of its employees and the protection of the environment



Integrating the SDGs & Vision 2030 into our core business

ADC supports global and regional efforts to achieve Sustainable Development Goals (SDGs) and Saudi Vision 2030. We and our internal stakeholders evaluated ADC's alignment with the SDGs and Vision 2030 by mapping these goals to the issues identified as part of the materiality assessment. There was a common alignment among the stakeholders towards improving our efforts on sustainability initiatives, particularly on health & safety, gender equality, and energy efficiency management. We are also committed to contributing and demonstrating Vision 2030 values through our responsible governance and operations. As a result, we prioritized the following goals and targets that are aligned with eight sustainability development goals along with Saudi Vision 2030. Prioritizing has considered the goals which are directly related to the success of our business and the ones which help us to energize growth responsibly and sustainably.

Seventeen Sustainability Development Goals were established by United Nations with the aim of ending poverty and other deprivations, improving health and education, reducing inequality, and increasing economic growth while tackling climate change and working to preserve our ecosystem.



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Environment/ Performing Responsibly

Achieving sustainable environmental performance through maximizing the efficiency and productivity of resources and minimizing practices that may adversely affect the environment with the help of initiatives such as:

- Reducing energy consumption & emission
- Minimizing water use and waste



Governance

We at ADC is continuously working to contribute to the socio-economic development of our people and countries of operations and achieve economic prosperity by the following initiatives:

- Focused to achieve IKTVA Target, promoting local procurement, support to Local communities and their families towards enhancing their social status, promote equal opportunity for women workforce.
- Multiple initiatives in line with technology such as Tayseer & Irtiqqa application and Tamkeen application, recognition of technological innovation & operational excellence.
- Continual improvement in the governance structure and processes with the help of governing guidelines and practices.



Social/ Safeguarding our Workforce

ADC is a responsible company, providing equal employment opportunities, a safe workplace, and a healthy environment that respects tradition and local culture. Following are the flagship programs of ADC to ensure social responsibility towards our people:

- HSE programs: ADC Plus, ADC Health Lounge Program, Seasonal Influenza Vaccine Campaign, and Healthy Community Campaigns. Additionally, ADC focuses on the journey to ZERO injury.
- Diverse & customized learning and education initiatives for in-house resources and community.
- Developed 'Irtiqqa' a digital application for all the training, learning, and career planning needs of employees.





A Vibrant Society






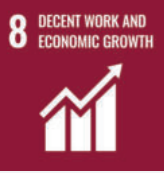

A Thriving Economy




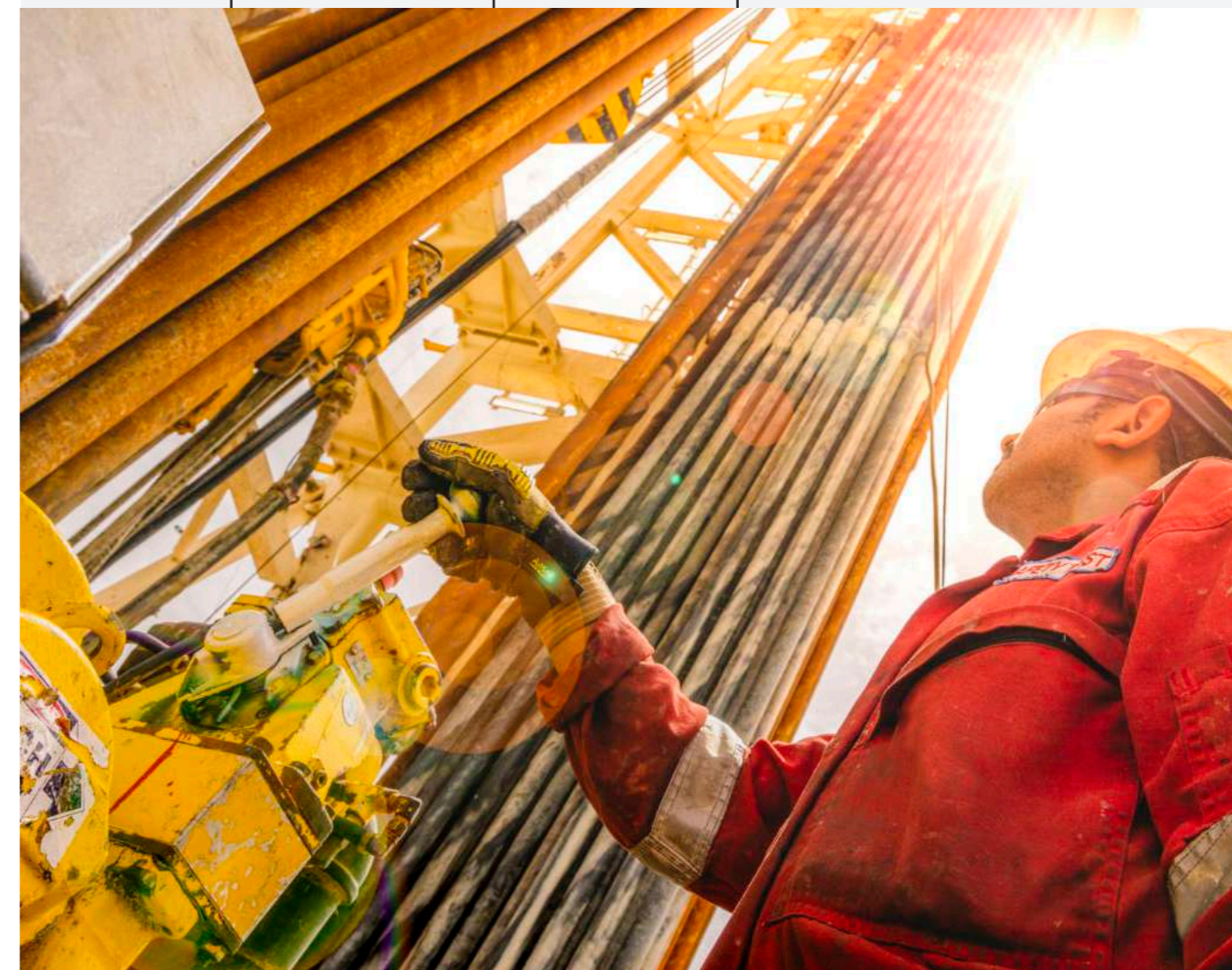
An Ambitious Nation

Relevant SDGs	Relevant Saudi Vision 2030	ADC Material Aspects	ADC Support
 <p>Ensure healthy lives and promote well-being for all at all ages</p>	1. A Vibrant Society <ul style="list-style-type: none"> Living healthy, being healthy Caring for our families Caring for our health 	1. Occupational health and safety	<p>ADC promoted multiple initiatives in 2021 to promote healthy living & well-being of employees and community, which included:</p> <ol style="list-style-type: none"> ADC Health Lounge Program – Initiative to support employees and their family members. Seasonal influenza vaccine campaign - Initiative for ADC employees and their families ADC focuses on the journey to ZERO injury. ADC initiated Zero Tolerance Campaign at OFSAT Designed various awareness campaigns based on the type of incidents that occurred at the site such as the Hand and Fingers Injury prevention campaign
 <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	1. A Vibrant Society <ul style="list-style-type: none"> Developing our children's character 2. Thriving Economy – Rewarding <ul style="list-style-type: none"> Our Commitment to an education that contributes to economic growth 	1. Training & Education 2. Local Communities	<p>ADC promoted multifarious learning and education initiatives for:</p> <ol style="list-style-type: none"> Employees – 28,186 man-days of training. Graduate Training – Trained 60+ graduates for Saudi Arabian Drilling Academy (SADA) and Saudi Petroleum Services Polytechnic (SPSP) as part of Basic Qualification Programs (BQP). Training on best practices such as ISO 9001 Quality Management accreditation and ISO 29993 Training Practice Saudization Rate - 77%. Irtiqa- ADC launched a digital platform to cater to all the training, learning, and career planning needs. FARES career development program: Program designed for graduate-level students to train them for ADC support functions. NOOR Project: The project mission is to ensure the effective development of ADC people. The project includes introduction of new simulation technology, programs, processes and competency courses.

Relevant SDGs	Relevant Saudi Vision 2030	ADC Material Aspects	ADC Support
 <p>Achieve gender equality and empower all women and girls</p>	1. A Thriving Economy – <ul style="list-style-type: none"> Providing equal opportunities 	1. Diversity and Equal Opportunity	<p>ADC supports women empowerment and has rolled out diverse initiatives for women at the workplace, including:</p> <ol style="list-style-type: none"> Women in ADC - 93% increase in women workforce from 2017 to 2021. Women on Rigs - One of the drilling companies in the kingdom to empower female employees to visit rig sites Capacity Building for Female Employees – ADC's minimum training program covering firefighting & first aid course.
 <p>Ensure availability and sustainable management of water and sanitation for all</p>	1. A Vibrant Society <ul style="list-style-type: none"> Achieving environment sustainability 2. An Ambitious Nation <ul style="list-style-type: none"> Protecting our vital resources 	1. Water Management	<p>ADC initiated various programs in line with Saudi Vision 2030 to protect vital resources such as water, including:</p> <ol style="list-style-type: none"> Water conservation program at drilling water pit by installing an alarm system. A pilot study to assess water conservation potential in drilling rigs by regulating water flow through sensors. Clean and sanitize all portable water tanks on yearly basis. Frequent water testing by the Ministry of Health, KSA, and Third-Party Labs.
 <p>Ensure access to affordable, reliable, sustainable, and modern energy for all</p>	1. A Thriving Economy <ul style="list-style-type: none"> Renewable energy markets Increasing the competitiveness of our energy sector 	1. Energy 2. Emissions	<p>ADC has leapt to promote energy efficiency and induction of clean energy into daily activities. Some of the key initiatives include:</p> <ol style="list-style-type: none"> Preventive maintenance program for engine health, thereby limiting fuel consumption and related emissions. Logistics cells initiative within the Journey Management Center reduced the truck fleets to 35%, thereby avoiding equivalent emissions. 100% LED Lighting in a corporate office. Hybrid Lights (Tower light initiative) – a pilot program to assess the viability of a hybrid (solar + diesel) powered lighting system.

Relevant SDGs	Relevant Saudi Vision 2030	ADC Material Aspects	ADC Support
 <p>Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all</p>	1. A Thriving Economy – <ul style="list-style-type: none"> Boosting our small businesses and productive families Our commitment to an education that contributes to economic growth Providing equal opportunities 	1. Economic Performance 2. Local Communities 3. Employment 4. Procurement Practices	<p>ADC contributed to economic growth in KSA through various initiatives, such as:</p> <ol style="list-style-type: none"> IKTVA Target – achieved 62% and exceeded the target of 55% for 2020. Percentages of Local Procurement: 60.9% in 2020 and 64.9% in 2021. Support to prisoners and their families towards enhancing their social status. Conducted multiple learning & education programs (highlighted against SDG 4). Promoted equal opportunity for women workforce (highlighted against SDG 5). Hit the best Service Quality in the past seven years having a drilling efficiency of 99.26%. Execution of Service Quality Champion Field Mentorship Program for improving communication process during 2020 and 2021 at ADC. Launched SAP Ariba (Tamkeen Project) which will serve ADC connection with vendor and improve system integration and compliances.
 <p>Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation</p>	1. A Vibrant Society <ul style="list-style-type: none"> Developing our cities 2. A Thriving Economy <ul style="list-style-type: none"> Our commitment to developed digital infrastructure 	1. Economic Performance 2. Emissions 3. Employment	<p>ADC introduced multiple initiatives in line with technological advancement in Oil & Gas Industry, some major ones included:</p> <ol style="list-style-type: none"> Tayseer application – A self-service digital portal for all the employees to improve system efficiency and reduce environmental impact. Human Resources (HR) Benefits for all the employees. Recognition to ADC rigs for innovation & operational excellence. IKTVA Target (highlighted in SDG 8) and Local Procurement (highlighted in SDG 8).

Relevant SDGs	Relevant Saudi Vision 2030	ADC Material Aspects	ADC Support
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels</p>	1. An Ambitious Nation <ul style="list-style-type: none"> Embracing transparency 	1. Anti-Corruption 2. Customer Privacy	<p>ADC contributed to economic growth in KSA through various initiatives, such as:</p> <ol style="list-style-type: none"> ADC's code of conduct guidelines supports <ol style="list-style-type: none"> Anti-bribery; Information security; and Conflict of interest, the duty of loyalty, and non - competition practices. Establishment & operationalization of ERM and release of First and Second ADC ERM Annual Report for 2020 and 2021. Revision of Risk Impact & Risk Appetite Criteria - Finance, HR & Market/ Reputational





Awards & Recognition

In 2021, ADC Team strengthened the efforts to fulfil the responsibilities as a leader in the drilling sector and as the foremost services provider of the country. ADC sharpened the focus on consolidating the core of ADC business.

The blueprint to accelerate our success and growth is always backed by the focus on creating long-term value, the leverage and thrust on digital technologies and by the ambition and passion to work with ADC people.



Awarded By : The award has been presented by HRH Prince Saud Bin Nayef, Prince of Eastern Province, HRH Abdulaziz Bin Salman Al Saud, Minister of Energy, HRH Prince Ahmed bin Fahd bin Salman Al Saud, Deputy Governor of the Eastern Region, H.E Yasir Othman Al-Rumayyan, Chairman of Saudi Aramco, and Mr. Amin H. Nasser, CEO of Saudi Aramco.

For the fifth year in a row, ADC is receiving IKTVA Excellence Award “Best Saudization (Services)” and is keeping the unlimited efforts to train, develop its people and show the commitment to stay aligned with Saudi Vision 2030. All ADC employees are contributing and proceeding to exert maximum efforts with continuous motivation and dedication to give their best to make us in the frontline for achieving the Saudi goals in 2030.

Starting with “Best in Employee Recognition” in 2016, “Best in Training & Development” in 2017, “Best in Saudization” in 2018, and “Highest Overall IKTVA Performance” in 2019, now ADC has the honor to be selected for the Best Saudization (Services) Company giving us a higher responsibility to keep the great performance and efforts in place.

Recipient: TAQA Group Employees & Contractors

Awarded By : TAQA

TAQA promotes a culture of continuous improvement to ensure that there is a committed and practical understanding of QHSE as an integral part of everyday business “WAY OF LIFE”. Fundamental to this culture is the belief that all losses of people, property, equipment, process, and environment resulting from management system failure are preventable and employees empower to stop any activity, they deem to be unsafe.

The award aims to promote strong and proactive participation of all TAQA Group employees in QHSE programs, support knowledge-sharing within the Group, develop QHSE culture through recognition, set examples to be followed, and encourage cross-location / business units and employees to come up with new ideas.

For the year of 2021, ADC won the following awards amongst all TAQA companies worldwide:

- Best HSE Performance Award (Location Award won by Rig AD- 57)
- Best Service Quality Award (Location Award won by Rig AD- 80)
- Best Driving Performance Award (Individual Award)



Internal Awards Program for a Healthy Culture

ADC is keen on reviewing on yearly basis the internal award program toward enhancing the collaboration between the employees, keeping a great work environment regardless of the work location or whether direct contact or work is available between the employees. ADC continuously tends for enhancing a healthy work environment in such a way to be one of the pathways for the leading drilling company in the kingdom.

For 2020 and 2021, ADC worked hard to face the COVID-19 Pandemic and to limit its impact on the yearly ADC internal award practices.

ADC Cup Award

The ADC Cup Award is considered one of the most important internal awards highlighted on yearly basis at ADC.

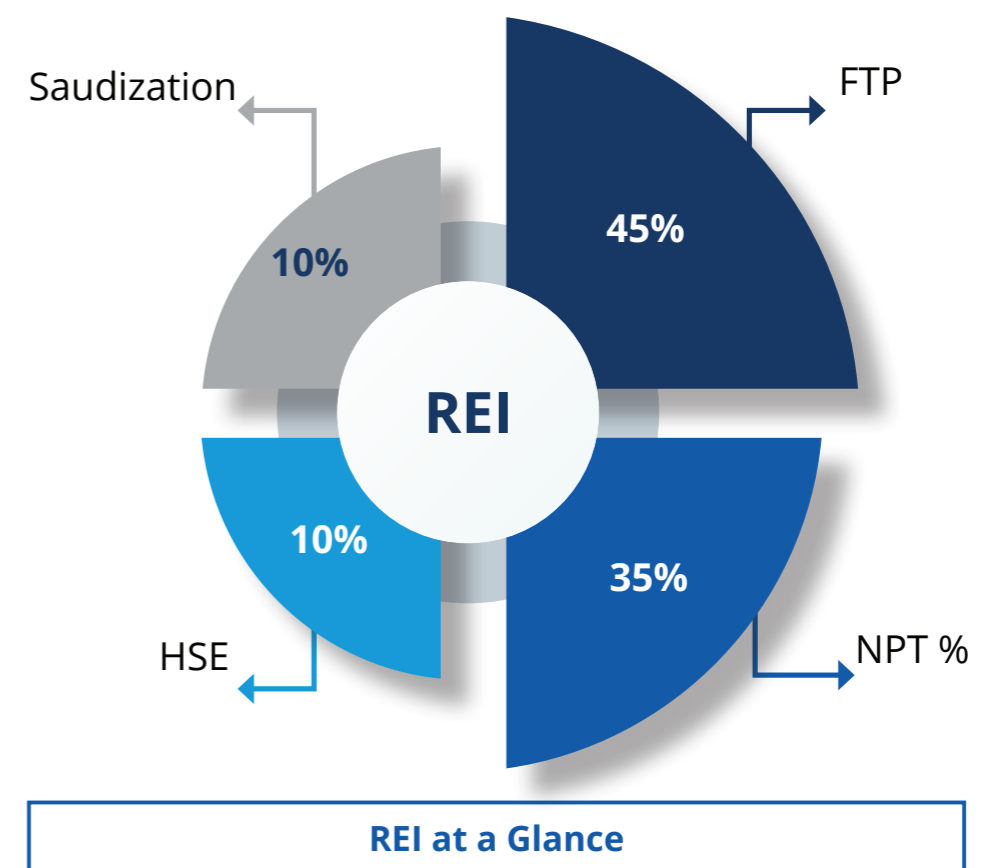
Recipient: ADC – Operations

Awarded by: ADC Management

The aim of ADC Cup Award is to develop a continuous improvement culture across ADC Fleet. It comes as participation for all rigs with their own team members, name, and logo. The award helps us to recognize the performance of the rigs, to create a healthy environment toward a sustainable business and to demonstrate our commitment to integrating safe operations and professional behavior. With ADC Cup Award, we can improve our Rig Efficiency Index (REI) and improve our customers' interests in building trustable business and relationships.

The cup winner is announced quarterly and annually via management rig visits, photos publications and town hall.

The Calculation of scores comes as shown below:



RIGS	Q1, 2020	Q2, 2020	Q3, 2020	Q4, 2020
Gold Winner	AD 47 Team Phoenix	AD 54 Team Hawks	AD 54 Team Hawks	AD 54 Team Hawks
Silver Winner	AD 16 Team Stallions	AD 16 Team Stallions	AD 65 Team Iron Men	AD 53 Team Challengers
Bronze Winner	AD 54 Team Hawks	AD 66 Team Locomotives	AD 53 Team Challengers	AD 66 Team Locomotives
Gold Winner OFFSHORE	AD 70 Team OFFSHORE Masters	AD 70 Team OFFSHORE Masters	AD 70 Team OFFSHORE Masters	AD 70 Team OFFSHORE Masters
Best Improver Award	AD 57 Team Red Falcons	AD 68 Team Rock Climbers	AD 63 Team Tigers	AD 29 Team Wolves

RIGS	Q1, 2021	Q2, 2021	Q3, 2021	Q4, 2021
Gold Winner	AD 54 Team Hawks	AD 42 Team AD 42	AD 42 Team AD 42	AD 67 Team Unions
Silver Winner	AD 53 Team Challengers	AD 29 Team Wolves	AD 65 Team Iron Men	AD 53 Team Challengers
Bronze Winner	AD 36 Team AD 36	AD 53 Team Challengers	AD 36 Team AD 36	AD 36 Team AD 36
Gold Winner OFFSHORE	AD 70 Team OFFSHORE Masters	AD 60 Team Motivators	AD 70 Team OFFSHORE Masters	AD 70 Team OFFSHORE Masters
Best Improver Award	AD 63 Team Tigers	AD 55 Team 55	AD 56 Team 56	AD 59 Team 59

ADC Seniority Award

Recipient: ADC Internal Stakeholders

Awarded by: ADC Management-HR Department

The ADC seniority award promotes a sense of belonging and recognizes the contributions of employees who have completed 5, 10, 15, and 20 years of service with the company. Employees are recognized for their talent, value, commitment, and accomplishments during their tenure with ADC.



Good Catch Award

Recipient: ADC People

Awarded by: ADC Management

Good Catch is a quarterly Internal Safety Award System implemented in 2022 at ADC. A Good Catch Award is given to the employee for a remarkable action to prevent any kind of injury, incident or loss at ADC.

Below are some examples of such actions which deserve the Good Catch Award:

- Practicing Stop Work Authority and preventing an HSE accident or a Service Quality loss.
- An observation or intervention that prevent someone from getting injured or prevent an obvious Service Quality incident.
- An Excellent STOP Card/ RIR or a Suggestion that can help the company reduce injuries, protect the environment, reduce NPT or cost.



Governance and Responsible Business

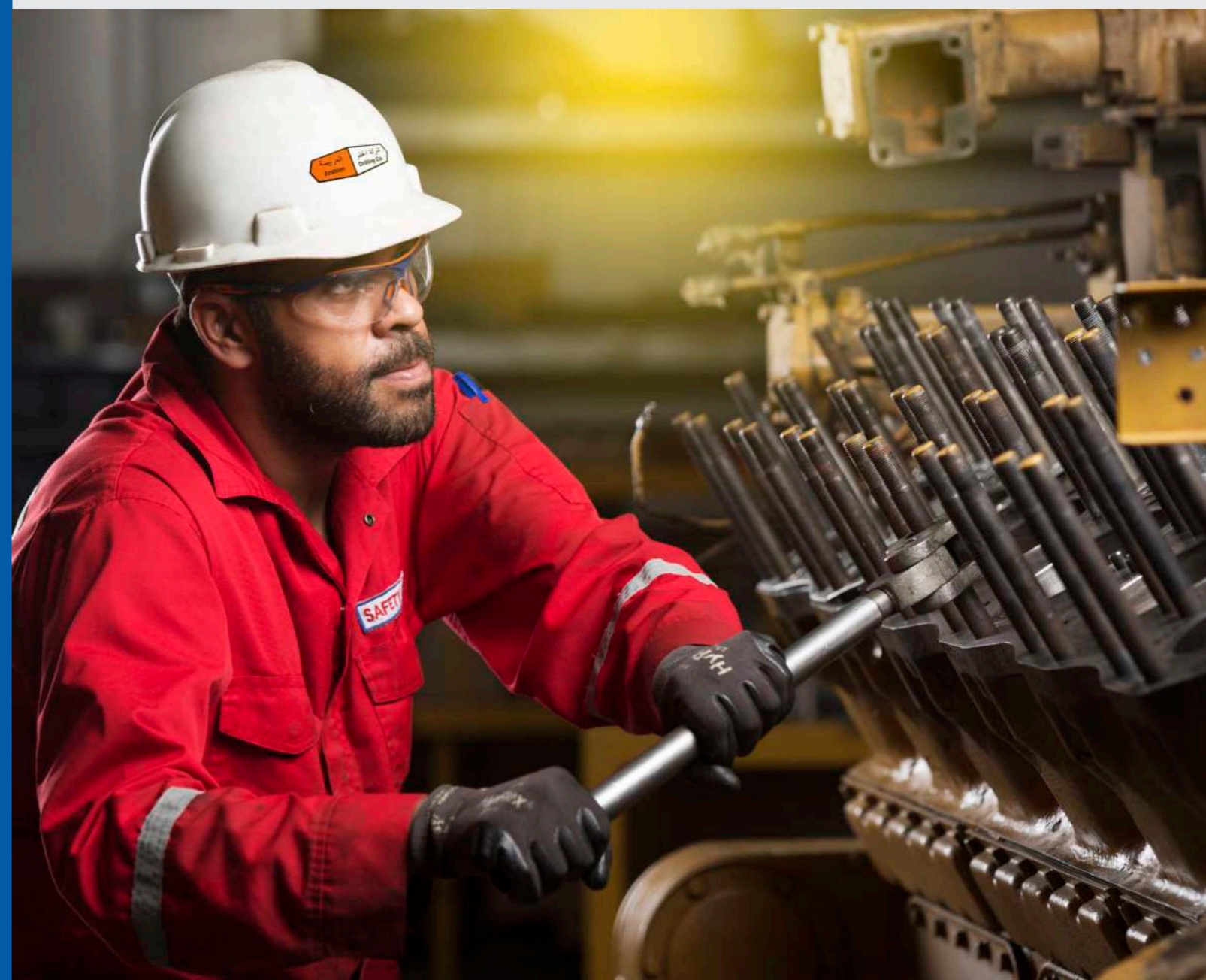
ADC is committed to conducting business ethically and in the best interest of people, the environment, and society. Sustainability is embedded in ADC's governance system which aims to maintain a relationship of trust with the stakeholders. ADC's Code of Conduct clearly outlines the Company's business ethics and shows what ADC expects from the employees, the management, and all other parties acting on the Company's behalf.

At ADC, sustainable management is driven by four significant aspects for the accomplishment of the Company's strategic goals and important to build an ecosystem of trust and transparency for all ADC's stakeholders. ADC Team is motivated to take all possible steps and measures to ensure that the governance structure encourages everyone to adhere to fair and responsible business practices.

Governance Structure

ADC is confident that its organizational strength will enable the company to continue serving Saudi Arabia despite all economic changes. Our management provides oversight to ensure that robust governance standards corporate social responsibility, corporate ethics, and overall performance and delegation of authority are in place. ADC always ensures that there is full alignment with ADC's rigorous governance procedures and the right governance and leadership structure in place to deliver our mission and strategy.

Governance is an enduring focus at the company, starting with the board, management, and all employees. There are multiple layers of oversight in place to ensure risks are managed effectively and adequately.



Board of Directors

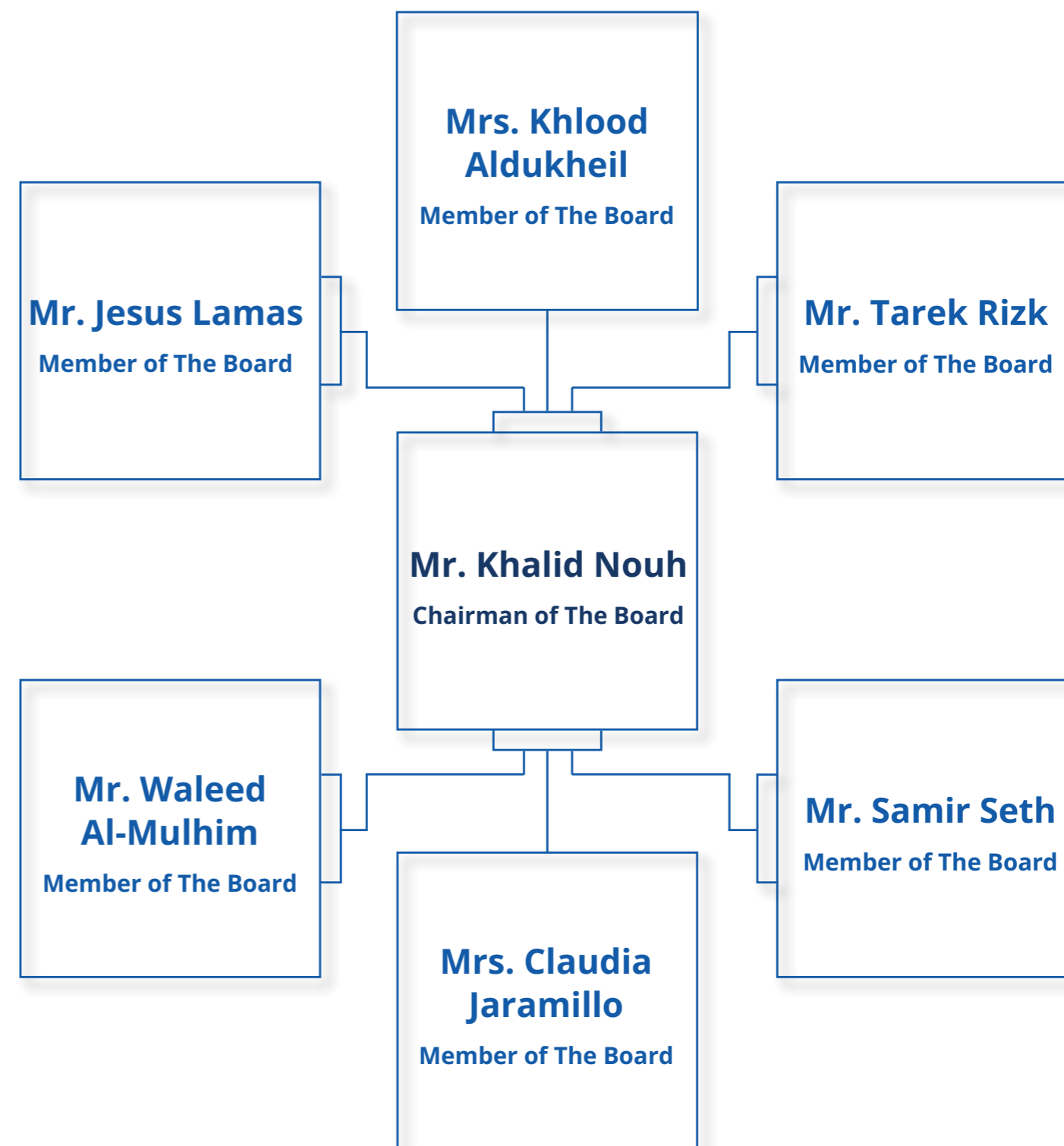
ADC and its Board are committed to high standards of corporate governance, transparency, and the protection of shareholders' interests. ADC people maintain open communication with all our stakeholders and effectively manage risks to our sustainability. In 2019, ADC published the Code of Conduct (CoC) standard on the website www.arabdrill.com.

ADC's governance system is in constant evolution; a Corporate Governance framework is being developed considering sustainability as its fundamental element and adopting guidelines that assist the Board in the exercise of their responsibilities.

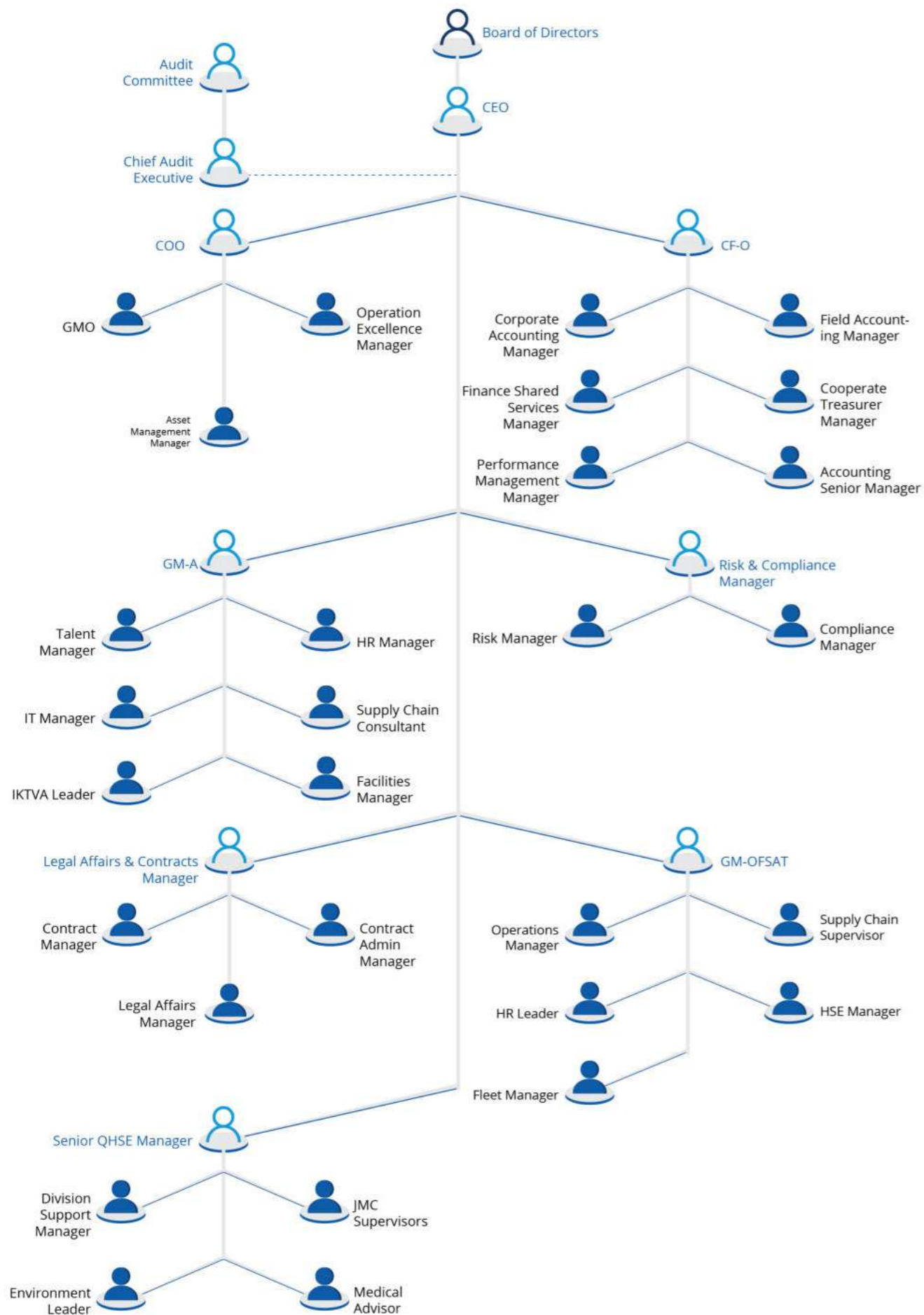


Board Leadership Structure

The leadership structure of ADC's Board of Directors (BOD) is set up to ensure effective oversight of management and advance the best interests of shareholders. The Board is currently led by Mr. Khalid Nouh.

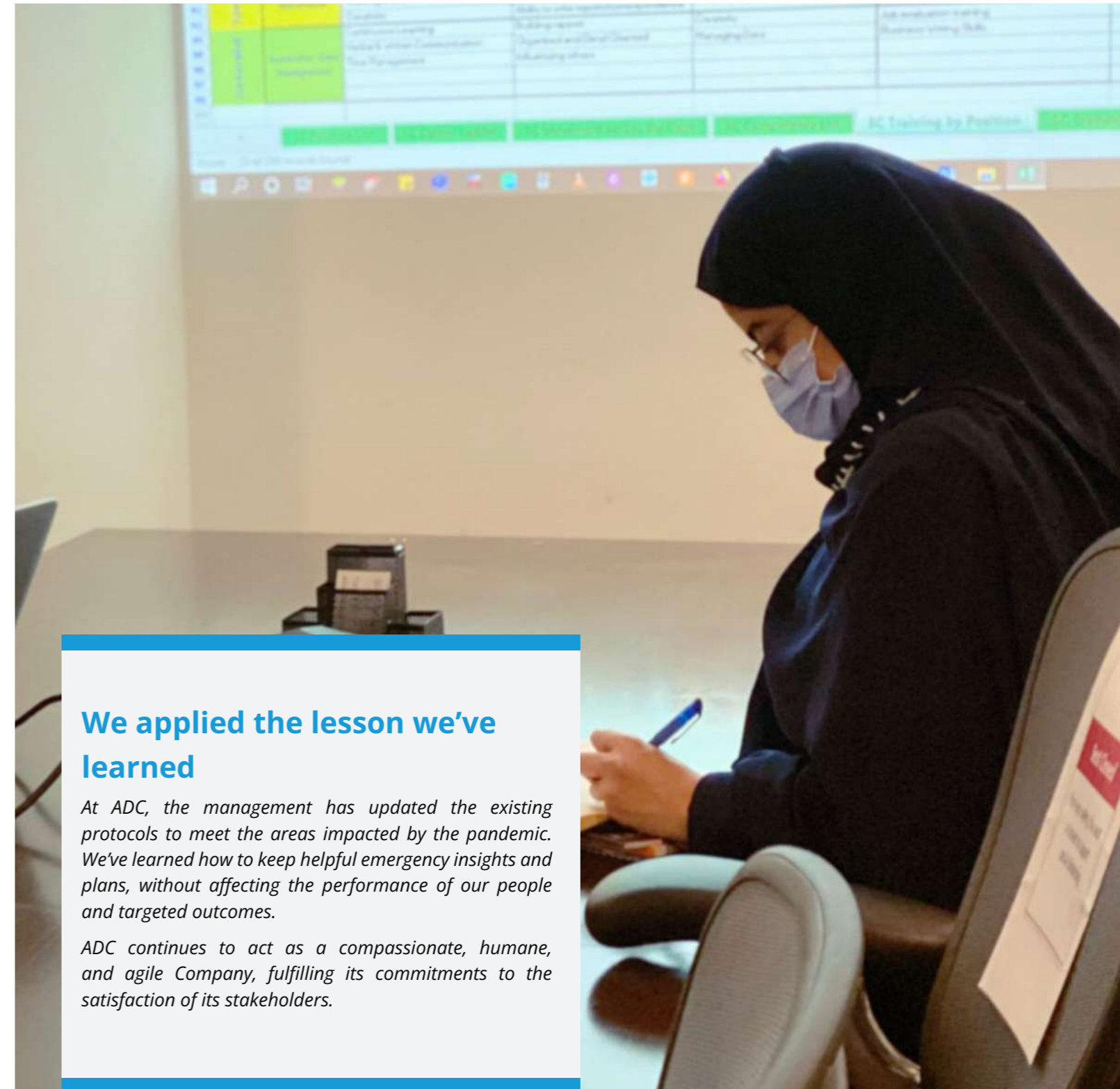


Organisation Structure



ADC Response to Covid-19

ADC Team worked to manage the Covid19- precaution measures, to amend our operations and to respond to our employees needs in order to ensure business continuity. ADC dedicated the resources to implement employee health and welfare initiatives and provided the IT support for facilitating the remote working with a minimum impact on the flow of our activities.



We applied the lesson we've learned

At ADC, the management has updated the existing protocols to meet the areas impacted by the pandemic. We've learned how to keep helpful emergency insights and plans, without affecting the performance of our people and targeted outcomes.

ADC continues to act as a compassionate, humane, and agile Company, fulfilling its commitments to the satisfaction of its stakeholders.

Internal Committees and Business Operations Management

In line with Saudi Arabia Vision 2030 for effective governance which highlights improving gender equality and enhancing peace and justice, ADC management focuses on supporting the internal committees where a remarkable involvement of ADC female employees is noticed in the last two years, making our women participate in the decision-making processes and the guidance of our business operations. Such committees are the Investigation Committee and the Promotions Committees, which come under the Human Resources Department orientation.

ADC operates through operations and supportive specialized departments. Each department manages its business operations in accordance with Key Performance Indicators (KPIs), objectives, and plans that act as key enablers in delivering its services efficiently.

Internal Committee Title	Committee Members	Committee Roles & Responsibilities
Investigation Committee	<ul style="list-style-type: none"> • Managerial Level Members • Operations Related Violations Members • None-Operations Related Violations Members 	The Investigation Committee is in charge of analyzing and investigating any kind of complaint or claim, providing the necessary judgments and decisions while checking any violation of the ADC policies, procedures, processes, code of conduct, or other relative factors and planning and taking the necessary action based on the level of breach.
Promotions Committee	<ul style="list-style-type: none"> • Managerial Level Members in charge of employees' evaluation • Member from the Finance Team 	Promotion Committee is responsible for evaluating the employee's qualifications against the promotion, reviewing all applications, providing the list of the nominated candidates, evaluating the promotions based on ADC policies and members' recommendations.

Achievement in the year 2021 - New Policy in Place

A new Policy related to the Risk & Compliance Department has been finalized in 2021 and will be officially enrolled in 2022.



The internal audit department plays a significant role in ADC by providing independent assurance over internal controls. Our internal audit team is guided by the Board's Audit Committee and responsible for:

- Providing independent assurance that the corporate governance structure is adequate and effective.
- Ensuring the existence and evaluate the efficiency and effectiveness of internal control systems and processes along with a continuous follow-up on recommendations' implementation.
- Assuring that risk management activities are effective and provide timely information to decision-makers to mitigate risks.
- Assuring compliance activities so that risk of non-compliance with internal and external regulations are minimized.

To increase customer trust and to improve operations efficiency, the Compliance & Risk Department has been augmented into three major sections: Risk, compliance, and corporate governance. ADC is in a process of establishing a corporate governance framework, compliance framework, and respective governing procedures.

Business Ethics

Ethical behavior is intrinsic to the way we conduct our business. We comply with the laws of the land and corporate governance guidelines and adopt global best practices.

Since our inception in 1964, ADC believes that a sound business necessitates ethical business practices and considers ethics as a key part of our values and kneaded tightly into the principles by which the Team operates. Our Code of Conduct (CoC) guides our business, requiring ethical behavior and integrity in everything performed by ADC people. To ensure that our employees are capable of reciprocating our CoC standards, periodic trainings are being conducted for all Company's employees and therefore a non-negotiable commitment to a sustainability vision could be in place.

ADC CoC covers a wide range of topics and guidelines such as the confidentiality of information, anti-bribery, compliance with laws and regulations, human rights, and ethics, thus, ADC ensures that its CoC applies to whoever intends to conduct business with or on the behalf of ADC and might be able to engage in unethical behavior on our company's behalf, starting from our internal employees, and moving to the vendors, contractors, subcontractors and any kind or level of intermediaries.

Conflict of Interest, Duty of Loyalty & Non-Competition	Anti-Bribery	Workplace Environment	Reporting Violations	Information Security	Use of Assets
Compliance with Laws & Regulations		Transparent Management		Accurate Records and Reporting	Commercial Incentives
Confidentiality of Company's Information					Use of Technological Resources

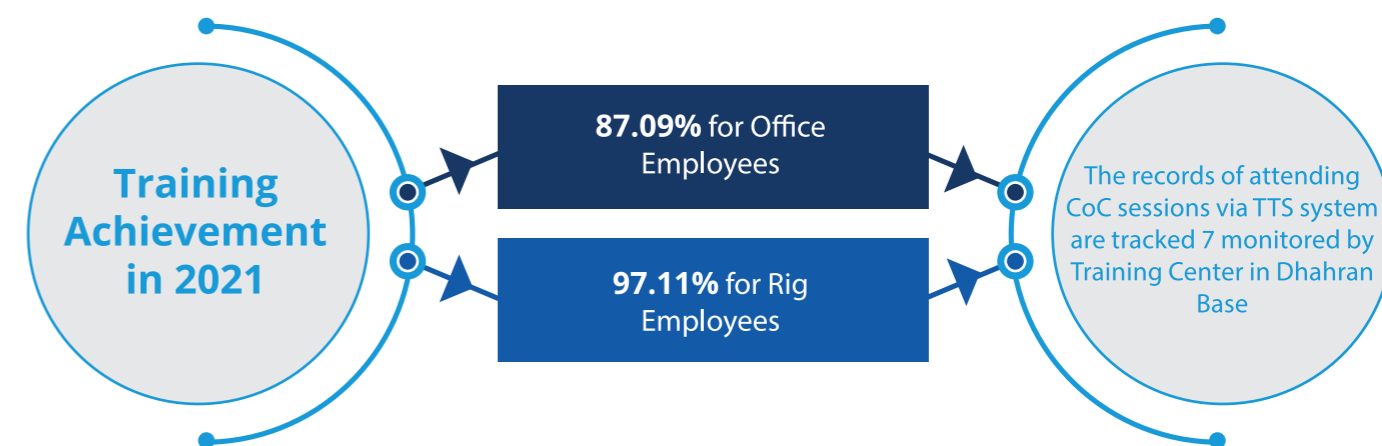


Compliances with ADC CoC

We strive for excellence in delivering services, customer delight, and sustainable business conduct, thereby targeting minimal grievances.

In case of any conflict of interest, stakeholders are required to make full disclosure to the Company. To serve the same, ADC Conflict of Interest Policy allows us to anticipate and manage such cases transparently.

ADC has a structured grievance redressal mechanism in place to address all stakeholders' grievances. A Whistleblower hotline is established to enable the reporting of any breach of the Code of Conduct or violation of any applicable law. The hotline is accessible to all personnel through a dedicated phone number. Contact details are available on our website (www.arabdrill.com) and are posted on our bases and rigs. The internal audit function governs our ethics helpline for independent resolutions of the complaints. All potential non-compliance and anti-competitive behaviors cases are duly investigated.

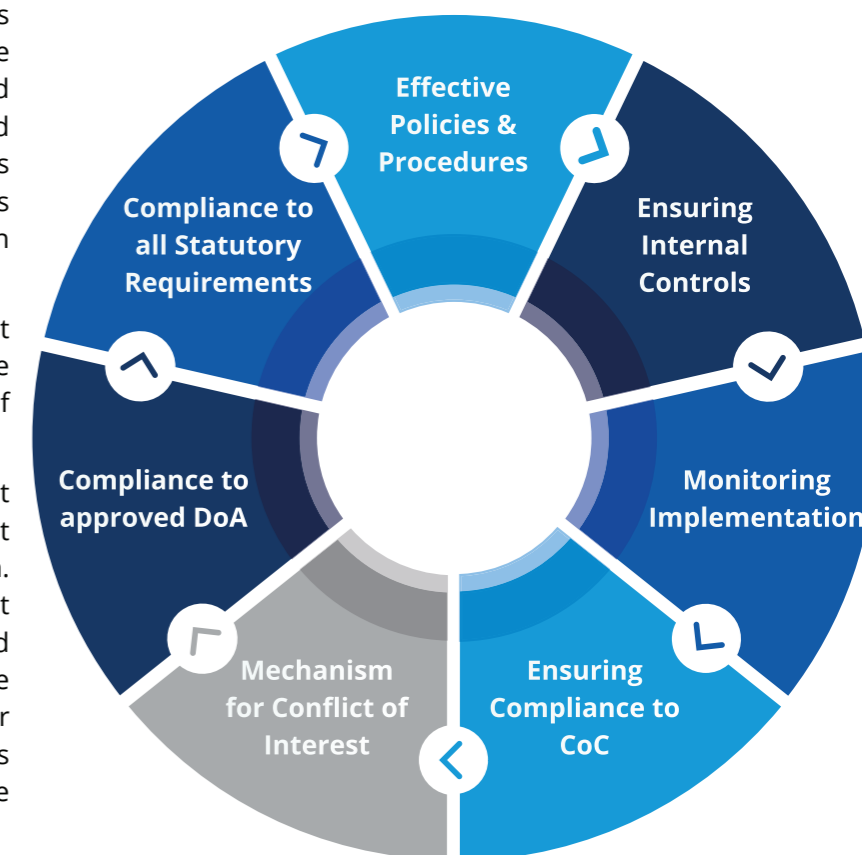


ADC Compliance & Risk Department has worked tirelessly in the past two years to set the core expectations from our vendors, internal and external partners in line with our Code of Conduct and in compliance with all applicable roles and regulations in a way of ensuring that the Internal Control System (ICS) is functioning efficiently and effectively.

All our new joiners get Code of Conduct training. Despite the unprecedented pressure brought by the pandemic, ADC continued in conducting the awareness training introduced in 2019 to evaluate the employees' perceptions on topics covered under ADC CoC, using an index based on employees' responses to questions related to CoC. In 2021, many CoC sessions were conducted by the Training Center in Dhahran Base.

ADC Compliance and Risk Department is dedicated to ensuring that corporate governance is achieved using key tools of compliances:

ADC Compliance Transformation Project has gained a lot of focus during the past years from our Compliance & Risk Team. The Compliance & Risk Department achieved remarkable development and implementation of various plans of the project which will surely improve our performance in the compliance practices and enhance our ability to adhere to the external rules and internal controls.



Our mechanism to investigate any grievance is as follows:



For the years 2020-2021, ADC assessed, resolved, and closed 100% of our grievances' cases. Our aim is to have great coverage for all grievances cases and have the best resolving capacity.

Road Ahead for the year 2022

- Continually acting with integrity, respecting ethics standards, and ensuring a robust business ethical approach.
- ADC will be conducting an awareness program that includes circulars, posters, and popup messages.
- Our Code of Conduct material will be used via a learning management system on success factors and we will ensure reaching above 90% of CoC awareness.
- ADC will focus on conducting Compliance Gap Analysis for many departments and ensure quarterly update for the compliance register.
- ADC is planning to have Compliance Awareness and Training Sessions for ADC Management & Employees and Corporate Governance Awareness Sessions for ADC Management and Board.
- ADC will attend Risk and Compliance Workshops and participate in the ADC Internal Control review
- ADC is planning to become a listed Company on Saudi Stock Exchange (Tadawul). The great operational performance, stable financial position, and supportive capabilities for further expansion in the future, will play an essential role in the ability of the Company to reach this target.

Risk Management

Multiple geopolitical and economic risks, such as crude supplies and product pricing limitations, threaten the oil and gas industry. Thus, ADC has a sturdy and robust risk governance system in place, featuring a strong Enterprise Risk Management (ERM) system, in order to make sure that ADC's operations are resilient and future-ready.

All the internal stakeholders at ADC regularly engage with management to discuss and review the Company's sustainability-related strategy, risk management, and performance. In addition, the Audit Committee is responsible for overseeing the Company's risk management programs, including Enterprise Risk Management (ERM) matters.

In line with the Committee of Sponsoring Organization (COSO) ERM Framework, ADC's ERM framework was instituted and developed in the year 2019. ADC is able to provide an enterprise wide-view of the risks through effective and continuous identification, measurement, and categorization, to end up with the development of reliable mitigation plans. ADC categorizes all risks related to environmental, financial, strategic, and operational sectors.

Field studies, risk assessment exercises, and on-site awareness seminars are examples of how the ADC Team is aiding the ADC company in embracing a data-driven decision strategy by embedding risk culture in the operating systems.



ERM Improvements for 2020 & 2021 – Annual Risk Refresh Workshops

As a part of the continuous improvement process, Annual Risk Refresh Workshops were conducted by ADC Risk & Compliance (R&C) Department.

The objective of these workshops was to validate ADC's ERM Framework & related Risk Management Enablers. As an outcome of these workshops, ADC risk criteria, risk appetite, risk heat map, and risk registers were revised to provide more specific and measurable criteria to facilitate and serve the risk assessment process. However, the workshop's outcome was also promoted to assess additional risks and implications the occurrence of which can affect or impact the achievement of ADC objectives and yearly targeted goals.

For 2020
Risk Impact Criteria
Risk Appetite
Risk Heat Map
Department Risk Registers
ADC Corporate Top-20 Risks

For 2021
Department Risk Register
ADC Corporate Top-20 Risks
Key Risk Indicators (KRIs)
ADC ERM Manual

Key achievements in the past years in line with ERM Perspectives

Electronic Document Management System (EDMS)

2019

- Initiated electronic data management system to centralize the process of capturing, storing, and retrieving documents. Our EDMS guidelines developed in the year 2019 render development of an efficient document management system.

Workshops, Criteria Enhancement & Reports Delivery

2020

- First Annual Risk Refresh Workshop with 13 Departments in the 4th Quarter of 2020 has been conducted, more than 225 man-hours have been utilized during these workshops.
- The Risk Impact & Risk Appetite Criteria – Finance, HR & Market/Reputational, has been revised.
- ADC released the First ADC ERM Annual Report for the year 2020.

A non-Stoppable Improvement on ERM, Reports Delivery and Risk Assessment Studies

2021

- The team elaborated ADC ERM Dashboard
- Quarter revisions of ADC Departments Risk Registers and reporting ERM update to Audit Committee and ADC Board were taking place.
- Training for the newly appointed Champions on the ERM was conducted.
- An independent ADC ERM Maturity Assessment & Report was performed by the Consultant Firm, Protiviti.
- The second Annual Risk Refresh Workshop with 13 Departments in the 4th Quarter of 2021 was conducted.
- ADC identified the Risk In-Focus for 2022.
- ADC released the draft of the second ADC ERM Annual Report for the year 2021.

Road Ahead for the year 2022 Focus on three essential pillars



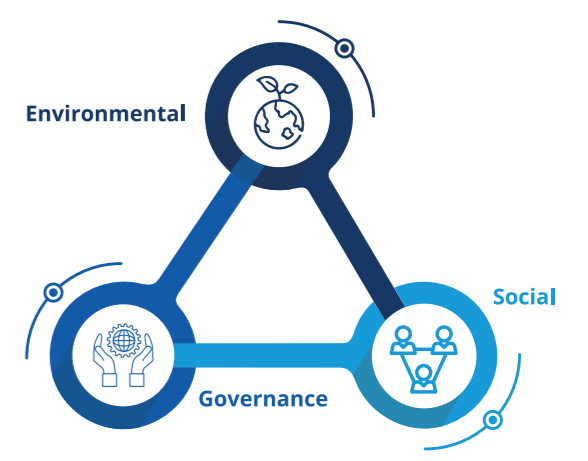
A Sustainable Business Through a Sustainable Framework

ADC is targeting a reliable and disciplined oversight. As a responsible business company, ADC is driven by its core values and is keenly aware of the responsibility toward the communities where the company operates and its contribution to Saudi Vision 2030.

Our sustainability framework focuses on actions that drive absolute and positive impact. ADC is building a balanced and resilient business that has long-term value and impact which serve our company in delivering strong operational results while prioritizing positive environmental and social impact.

ADC Sustainability Framework focuses on four key priorities:

- Ensuring the sustainability of our operations and supply chain
- Approaching operation excellence through digitalization, innovation & Technology
- Increasing the positive social impact in the communities where the Company operates
- Imbibing a sustainable performance culture across the organization





Sustainability Strategy

ADC Team endeavors to incorporate stakeholders' priorities into the business and corporate strategies, which are executed through focusing on ADC sustainability strategy, sustainability approach, stakeholder engagement, and materiality assessment.

Strategy

Our sustainability strategy determines us to proceed with our journey of sustainability by improving the efficiency and effective utilization of resources and capital. The Company strives to minimize the environmental impact of its business by improving operational efficiency through innovation, digitalization, and operational excellence. ADC invests in society by empowering Saudi nationals, encouraging local capacity building where it operates, creating jobs, and fostering economic development.

Approach

A long-term sustainability approach allows ADC to preserve its competitive position over the years. Our approach to sustainability commences with ensuring that the operation of the business is being performed responsibly and that there is a prioritization of the safety of our people, customers, and communities. ADC also recognizes that the success story of the Company's business is highly reliant on the ability to create eternal value for our countries and local communities, and through the sustainable use of natural resources.

ADC utilizes its innate capacity in engaging the stakeholders and conducting materiality assessment exercises, to distinguish key issues to align the priorities while developing our 2022 Sustainability Goals. Continuous internal performance management and monitoring mechanisms help us to strategize our actions on these distinguished material issues for integrated sustainable development. Monitoring the progress of our KPIs with respect to established goals facilitates us to calibrate our course of action and achieve our target.



ADC ensures the safety and well-being of the Company's people by providing safe, secure, and healthy environments for all holders of legitimate interests which are essentially our employees, customers, and contractors, through the adoption of the best quality, health, and safety management practices, controls, and risk procedures.

Sustainable Policy




In order to support our sustainability initiatives, ADC implemented Sustainability & Corporate Social Responsibility.

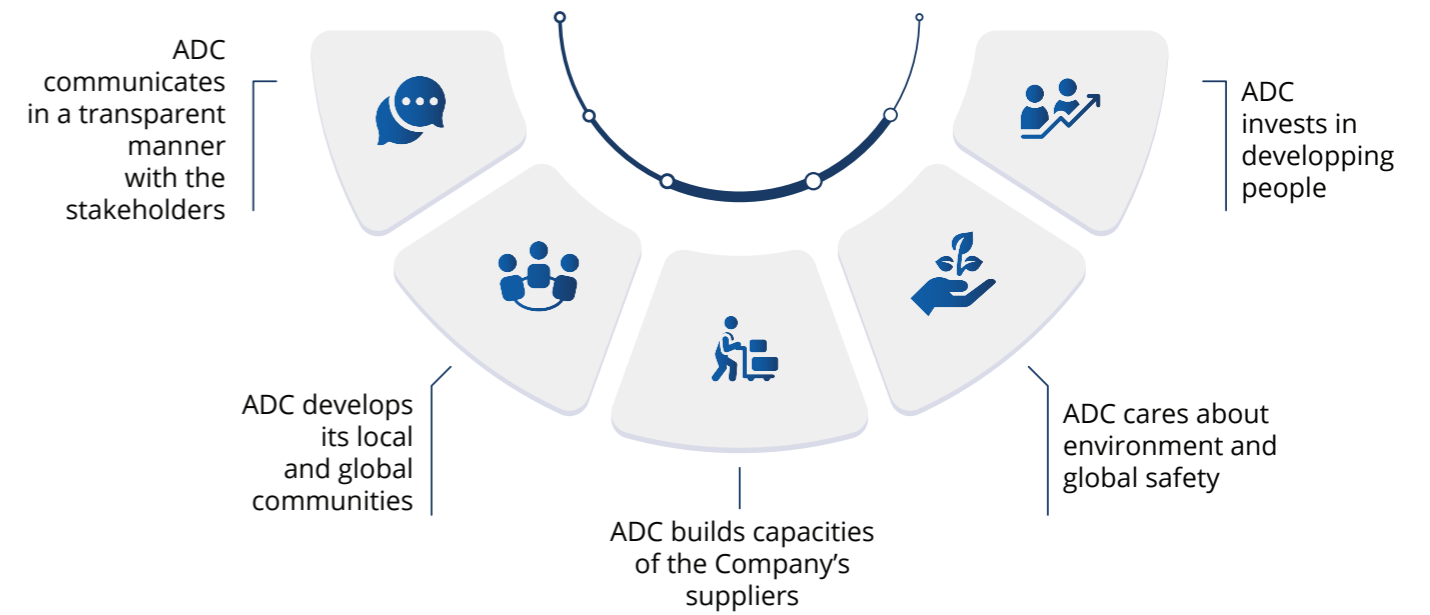
ADC Sustainability Policy tends to ensure addressing all issues related to our stakeholders, planet, and profit, integrating all sustainability aspects in such a way to maximize productivity and efficiency, and minimize any inadequate practices that could negatively impact the environment, the local community, and the society.

Additionally, since our stakeholders' interests play an essential role in our sustainability milestones, the team always ensures to maintain the needful communication and endure fruitful relationships so that ADC is able to create reciprocal value and able to keep the engagement of its stakeholders in the sustainability journey.



Driving Sustainability Through an Accountable Manner

Management and Leadership	Stakeholders Expectations	A transparent Annual Sustainability Report
		
<i>Quarter meetings conducted for assessment of sustainable goals progress and for highlighting and putting in place any new project that serves to enhance our achievements</i>	<i>Continuous analysis of ADC stakeholders requirements toward improvement of our processes and policies to meet their expectations</i>	<i>A routine practice for delivering ADC Annual Sustainability Report where insights about how ADC people do their work could be visible to the world, helping us to strengthen and build trustable relationships</i>



A range of engagement approaches is being employed to continue building and strengthening our relationships with both our internal & external stakeholders. In line with our commitment to regularly reach out and listen to our key stakeholders, ADC management performs stakeholder engagement exercises to get a hold of their interests and expectations.

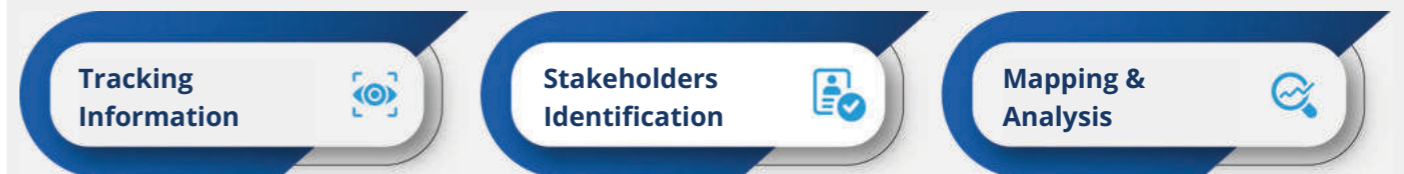
Stakeholders Collaboration

ADC people consider themselves accountable and transparent towards the Company's stakeholders. Their effective engagement for us is not only about getting their feedback, however, it is also about collaborating and working together with them to create larger societal values; great importance on listening and responding to our stakeholders' interests is always in place.



To assimilate social values within our communities and the Kingdom of Saudi Arabia at large, ADC makes significant investments in technical training and employment for Saudi youth, localizes our supply chain, and provides public safety education, and charitable philanthropic that focuses on susceptible populations.

Key steps to conduct proactive stakeholder engagement are as follows:

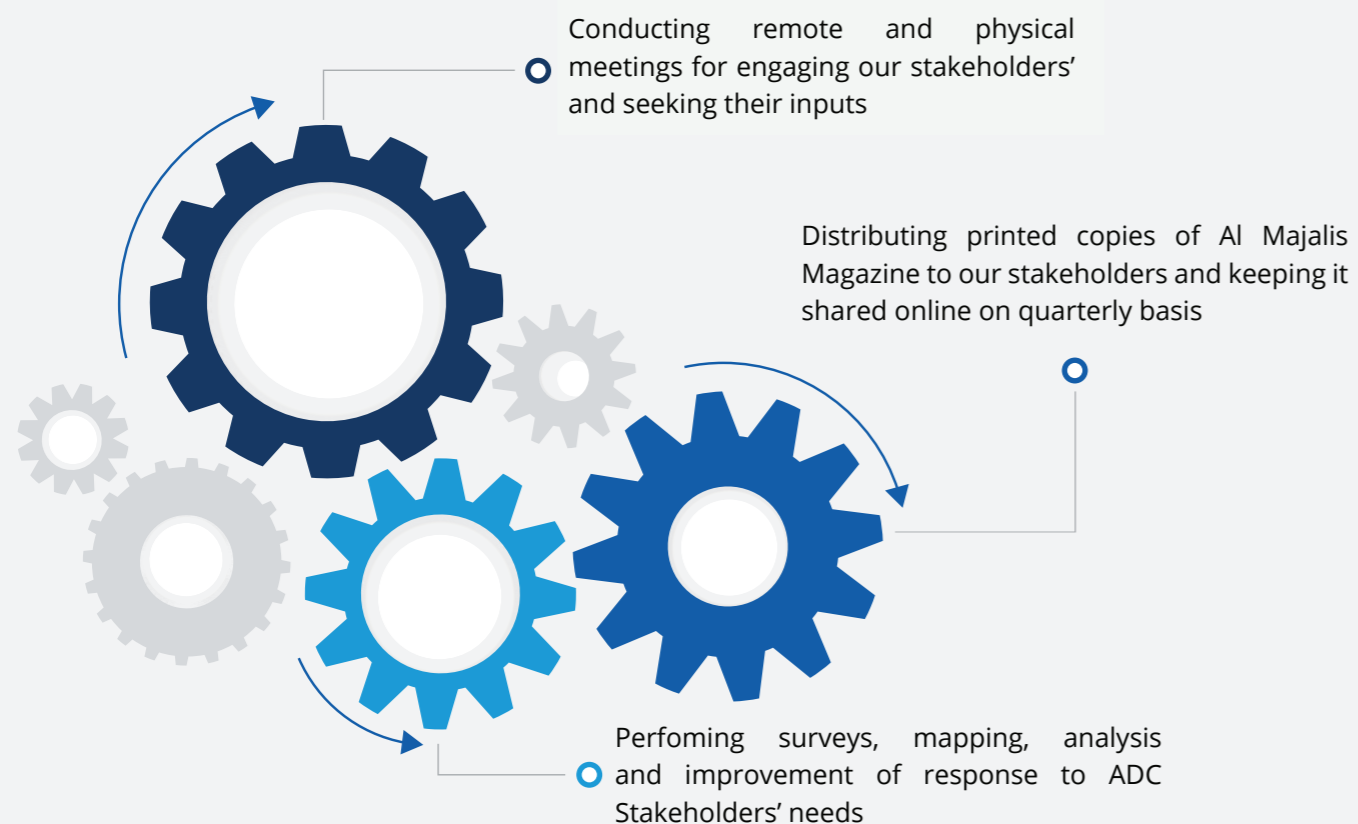


Tracking of information, for a great highlighting of ADC stakeholders: ADC keeps a great assurance of having sufficient communication, the specification of their interests and expectations, their involvement in ADC goals achievement, and the focus on the reasons behind any inability to achieve a key requirement.

Identification of stakeholders, for a continuous existence and integration of our business:

ADC management and team leaders conduct meetings with the board in order to identify all organizations, people, clients, and vendors who can have direct or indirect involvement in achieving the Company's goals and any entity that could impact the reputation of our company. The team always aims to have flexibility in modifying the way of work to stay in line with our people's sustainability agendas.

Mapping and analysis of stakeholders' interests and ADC response, for continuous implementation of an improved system and strategy:



Stakeholder Group	Areas of Interest	ADC Response	Engagement Approach	
Employees	ADC has over 4000 employees with 77% Saudization	<ul style="list-style-type: none"> • Equal opportunity and fair treatment • Health and Safety • Clear Career Path • Learning and Development • Motivation and Appreciation • Recognition and Award Programs • Transparent Management 	<ul style="list-style-type: none"> • Employee satisfaction review • Thank You Habit • Competitive compensation and incentives • Retention policy • Health insurance • Safety awards • CoC • Career ladder initiative • Training and development programs 	<ul style="list-style-type: none"> • Employee satisfaction survey • Employee engagement workshops • Regular meetings • Quarterly and annual performance reviews • Objective planning meetings

Stakeholder Group	Areas of Interest	ADC Response	Engagement Approach	
Customers	ADC's primary customers include Saudi Aramco, Schlumberger, and Al Khafji Joint Operations	<ul style="list-style-type: none"> • High-quality Services • Health, Safety and Environment Protection • Security • Confidentiality and Data Protection • Compliance with Ethical and Regulatory standards • Use of Modern Technology • Competent Local Workforce 	<ul style="list-style-type: none"> • Professional workforce • Time-bound delivery • Health, safety, and environment training • Code of Conduct • Confidentiality and Privacy Policy • Well-trained local workforce • Security Policy • Implementation of ERP system • Acquiring the latest technology 	<ul style="list-style-type: none"> • Website • Quarterly service quality appraisal • Monthly drilling health, safety, and environmental leadership • initiative meetings • Daily and weekly meetings • Quarterly Safe Operations Committee meetings • Daily reports • Drilling operational excellence and compliance division alerts
Shareholders	ADC is a Closed Joint Stock company between the Industrialization & Energy Services Company (TAQA), which owns 51% and the remaining 49% is owned by Services Petroliers Schlumberger S.A. ADC.	<ul style="list-style-type: none"> • Profitability and Sustainable Growth • Corporate Governance • Minimized Risk • Excellent reputation • Transparent Communication • Compliance with Laws and Regulations • Support Local Programs 	<ul style="list-style-type: none"> • Net income profit • Continuous growth • Effective and enhanced corporate governance framework • Innovative training programs • Effective communication • Culture of excellence and continuous improvement • Reputation risk management • Code of Conduct 	<ul style="list-style-type: none"> • Annual General Assembly • Board of Directors meetings • Annual, quarterly, and monthly reports • Board of Directors workshops

Stakeholder Group		Areas of Interest	ADC Response	Engagement Approach
Communities	Local Residence of the Kingdom	<ul style="list-style-type: none"> • Employment • Clean Air • Education Medical • Economic Development 	<ul style="list-style-type: none"> • Corporate Social Responsibility initiatives • Health campaigns • Knowledge sharing workshops 	<ul style="list-style-type: none"> • Social Media • Training youths • Generating employment opportunities • Organizing medical camps for employees and their families • Participating in HSE events organized by Saudi Aramco



Materiality Assessment & Analysis

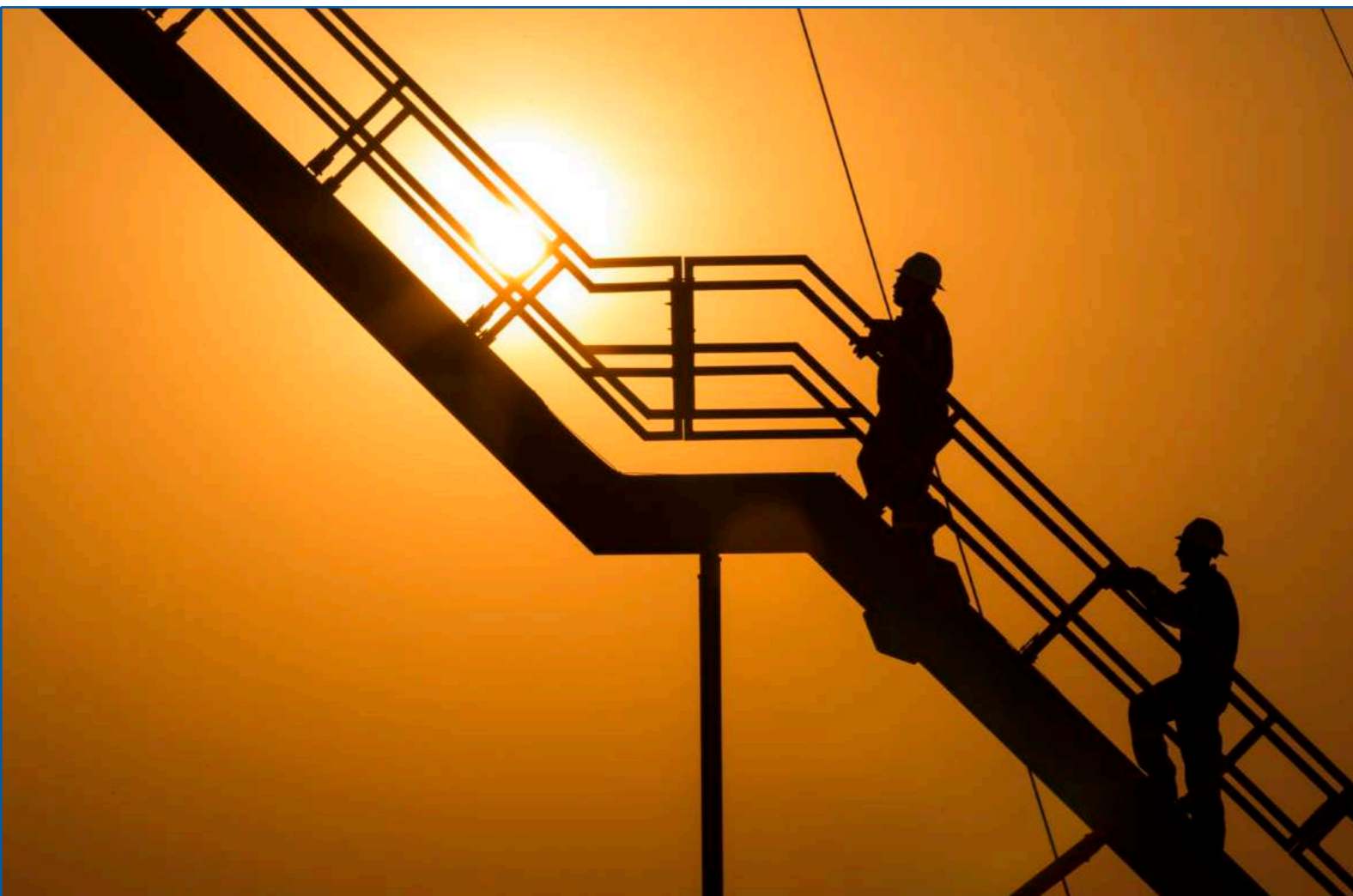
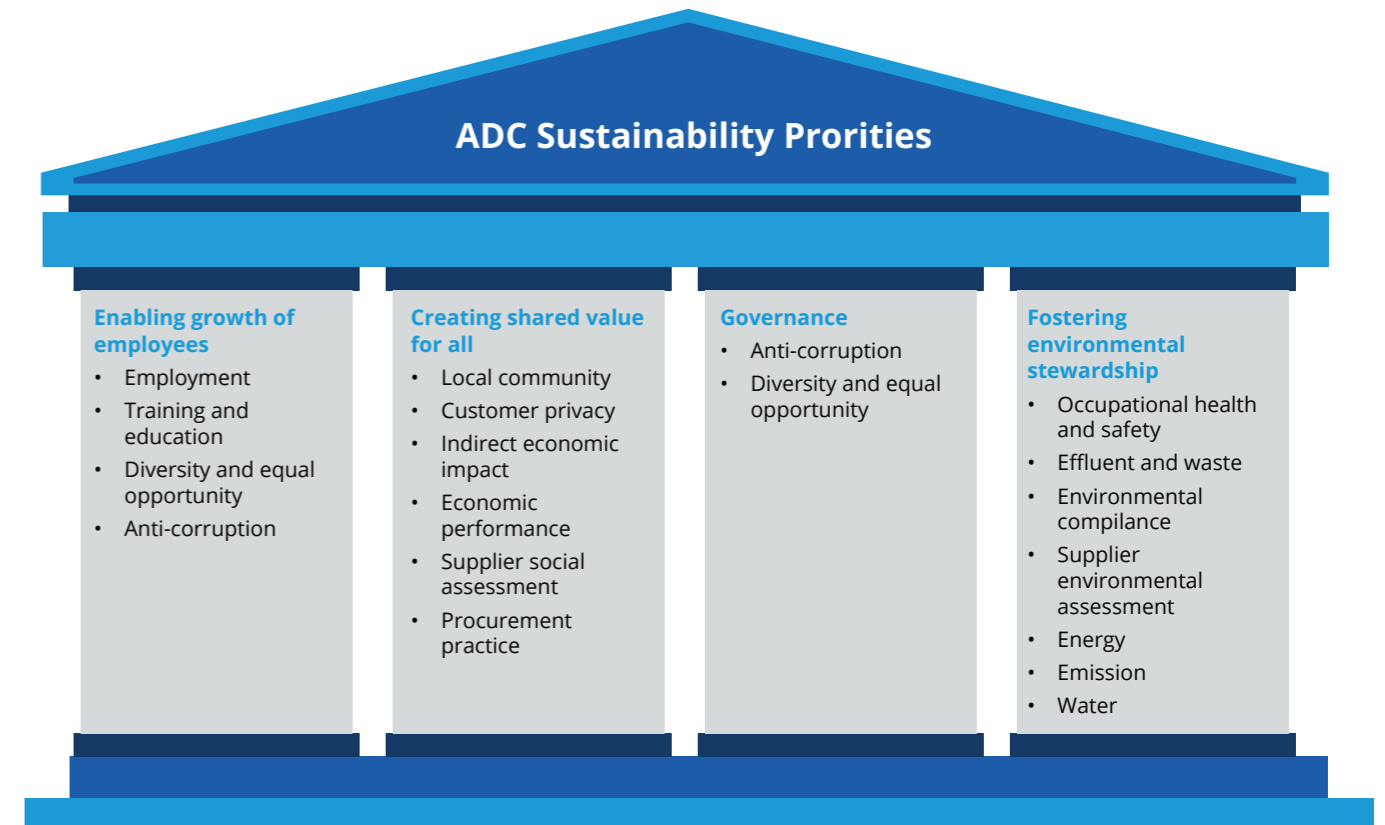
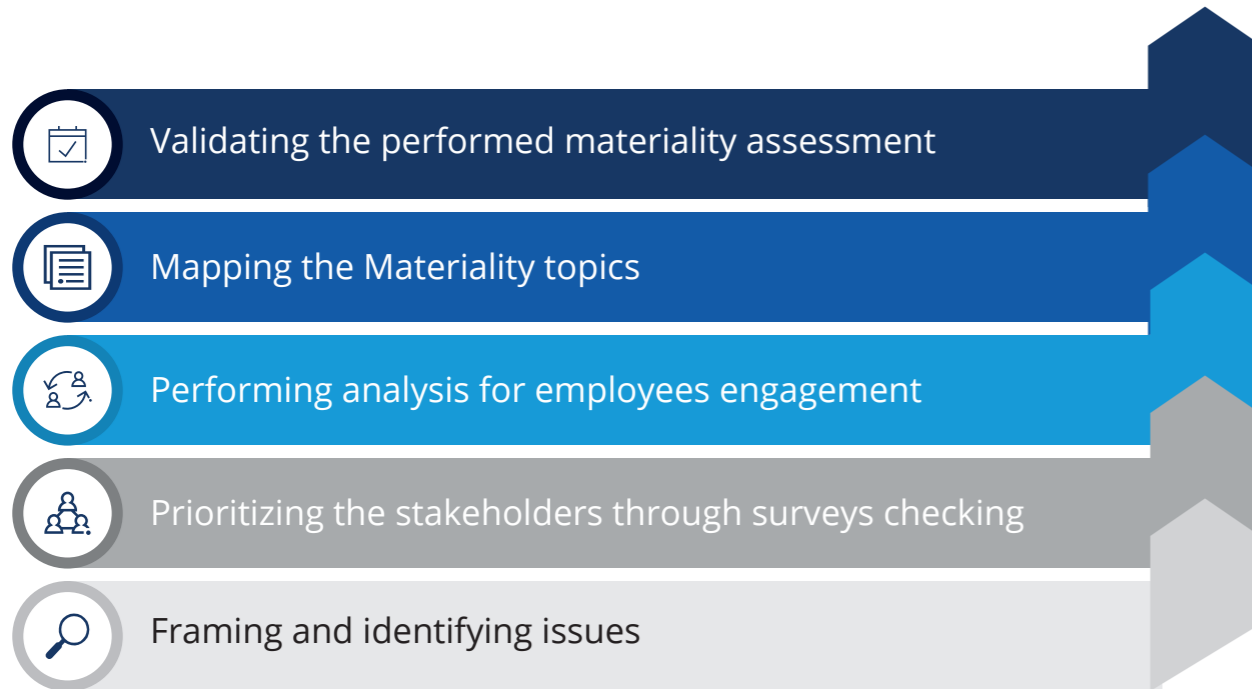
As an integral component of the GRI Standards, the materiality analysis entails engaging stakeholders to identify sustainability topics considered important to ADC's stakeholders based on their relevance and interest. The topics reflect those with significant economic, social, and environmental impacts. ADC Team also revisited the materiality assessment done in the calendar year 2019 and identified similar material topics in 2021.

In preparation for this report, ADC has conducted a materiality survey for the internal and external stakeholders to provide a broader view of material topics and consulted internal stakeholders to seek their inputs from a sustainability perspective. These inputs were then mapped on the materiality matrix based on the significance to stakeholders as well as ADC to prioritize material aspects.

Materiality Assessment Approach

ADC performed the materiality assessment starting with framing and identifying significant issues, then prioritizing the stakeholders, to end up with validating the mapped materiality matrix.

ADC performed the materiality assessment following the below methodology to end up with specifying the sustainability priorities:

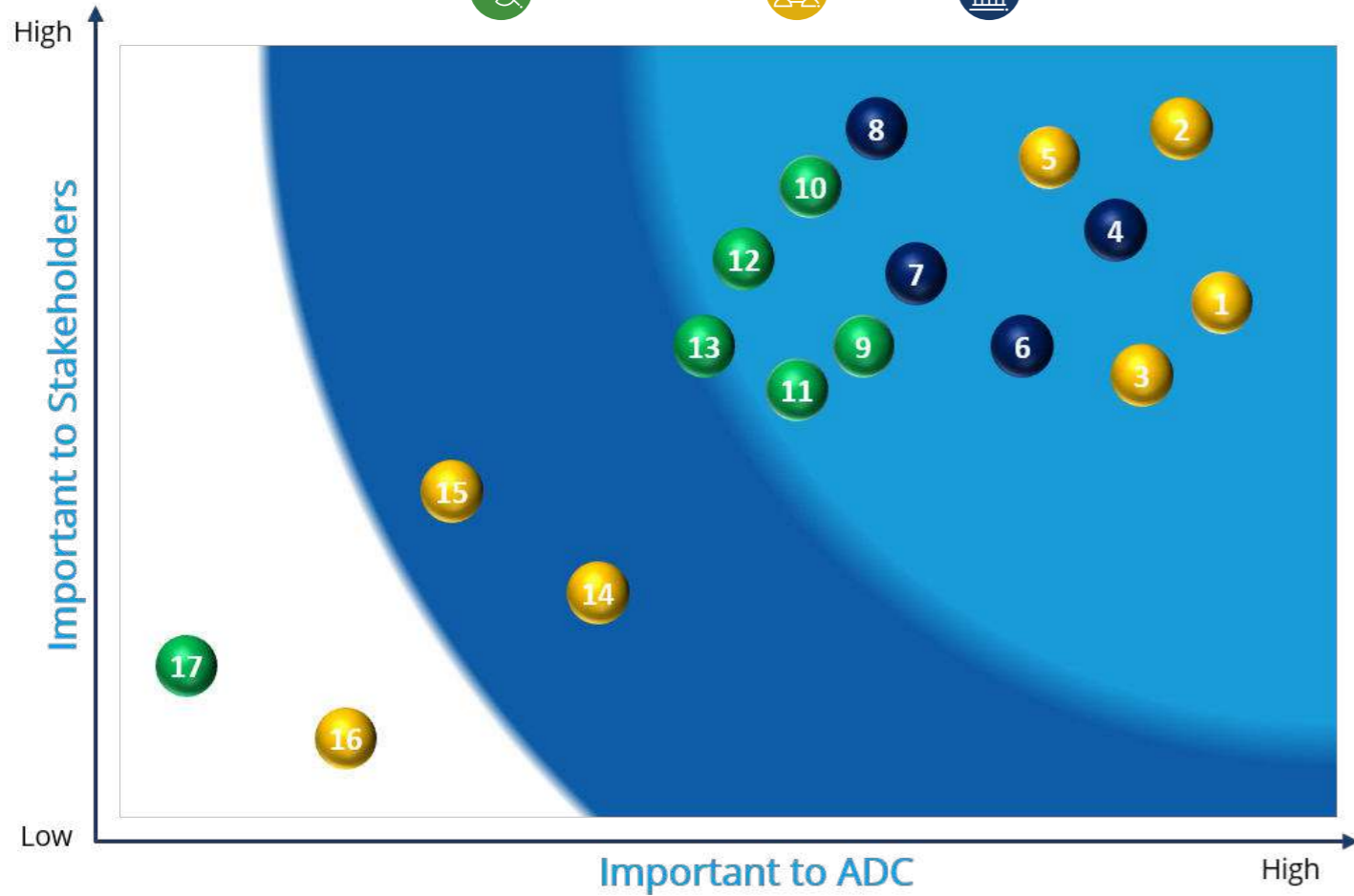


The exercise was guided by ADC vision and value framework, and was prepared based on essential dimensions, in line with GRI Reporting Principles:

- Identified risks and opportunities,
- Evolving sustainability concerns,
- Importance of ADC's sustainability-related impacts to external stakeholders or employees, and
- Importance to Stakeholders.

A strong materiality assessment relies on identifying the issues that matter most to both the company and society. Thus, the stakeholders' perspective was analyzed through a survey rolled out to our internal stakeholders wherein they demonstrated the interests of our external stakeholders. Thereafter, these topics were reviewed and rated on a scale from 1 to 10 by ADC's key members, where 1 – 3 was termed as Not Significant Material, 4 – 7 termed as Material, and 8 – 10 termed as High Material. Issues that were categorized as high material were outlined as our key areas of focus this year.

Seventeen key material topics were identified considering the two dimensions related to ADC's operations, importance to our business, and internal stakeholders.



High Material
1. Employment
2. Occupational Health & Safety
3. Local Community
4. Anti-Corruption
5. Training & Education
6. Indirect Economic Impact
7. Procurement Practice
8. Economic Performance
9. Effluent and Waste
10. Environmental Compliance
11. Supplier Environmental Assessment
12. Energy
13. Emission

Material
14. Customer Privacy
15. Diversity & Equal Opportunity

Not Significant Material
16. Supplier Social Assessment
17. Water





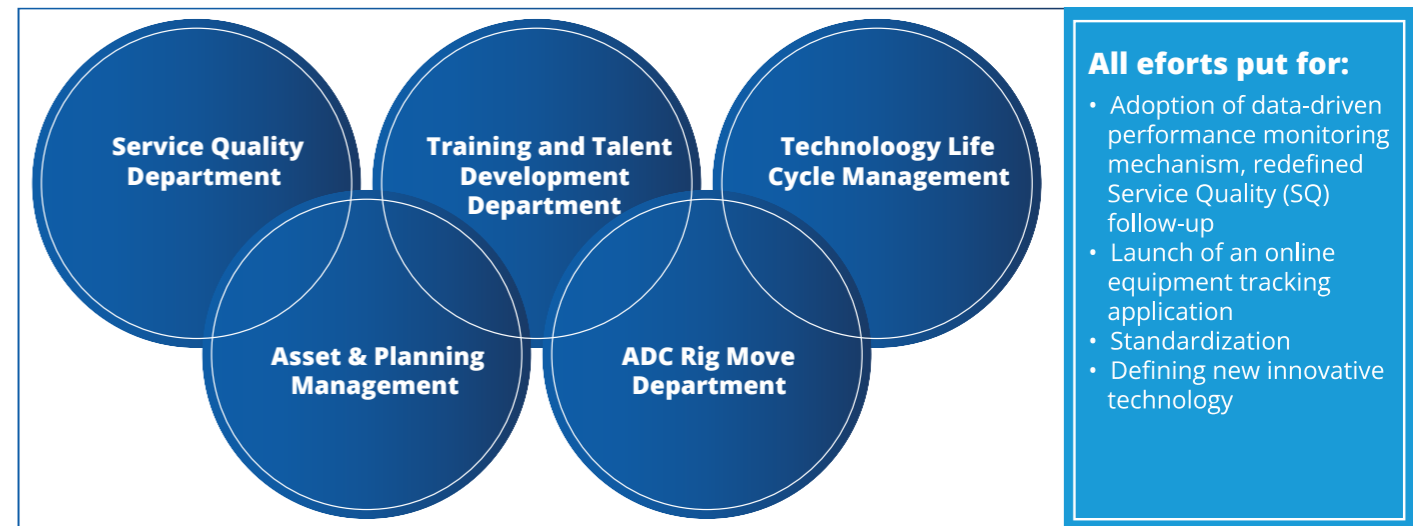
Operational Excellence

During 2020 and 2021, our ADC operational teams have worked on concrete steps for developing, testing, approving, and implementing optimized operations processes specifically in terms of automation for effective and efficient operation and to cover the shortage of on-site presence of people due to the Covid-19 pandemic. We have significantly identified the key opportunities on which we shall focus to enhance our operational performance and meet Saudi Vision 2030, maintaining the environmental, safety, and ethical standards and compliance to regulations.

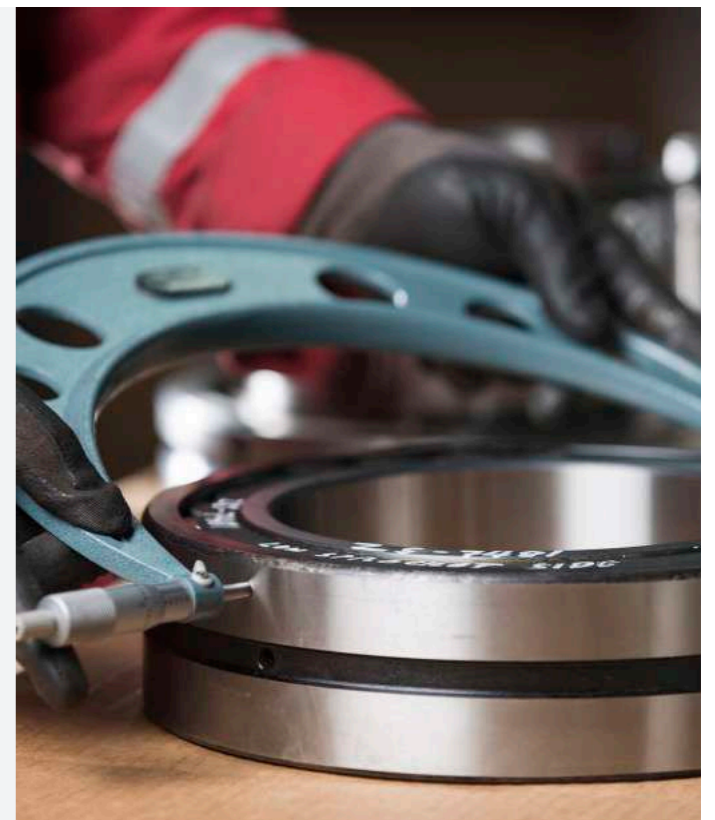
At ADC, we have an unconditional collaboration of our people which plays a vital role in our success in our sustainable operations journey. Our endowed Operations and QHSE Team have successfully utilized their capabilities for enhancing the performance and limiting any source of lack in productivity.



Our multi-department team worked hard to optimize our operational cost to sustain during crises, without compromising the quality and safety standards.



To support the operations department, increase client focus, and improve operations efficiency, as well as strengthen the projects considering the potential business opportunities and future technologies, ADC is planning to have a new organizational structure in 2022. One of the new departments will be Operations Excellence (OE), Operations Excellence will foster continuous growth and performance improvement across all site functions by identifying and leading Operational Excellence initiatives. New OE driven organization with dedicated continuous Improvement team collaborating with field Delivery teams as well as impactful Project Management Office (PMO) heading the projects with a clear mandate to protect rig reactivation will bring valuable technology improvement and address other areas of improvement within the organization.



Enhancement in ADC Operations

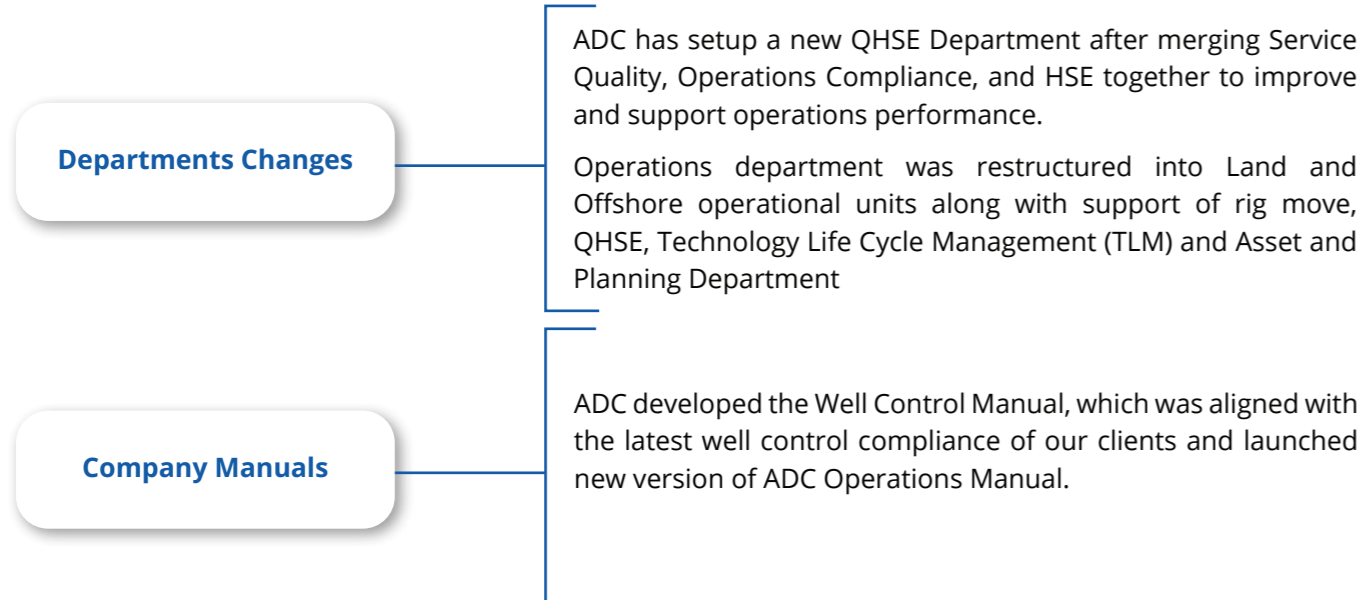
Our operation process relies on three key elements i.e., organized, structured, and productive work. We always seek to follow and adopt “Plan-Do-Check-Act” model of process improvement in our management system. ADC Continuous Improvement Process is key to leading operations excellence across Organization.

We are able to ensure business continuity in line with Saudi Vision 2030 through our ability to reach excellence in performance improvement. Our sustainable operations are being improved periodically via incorporating optimized, efficient, and productive strategies in our on-site operational work.

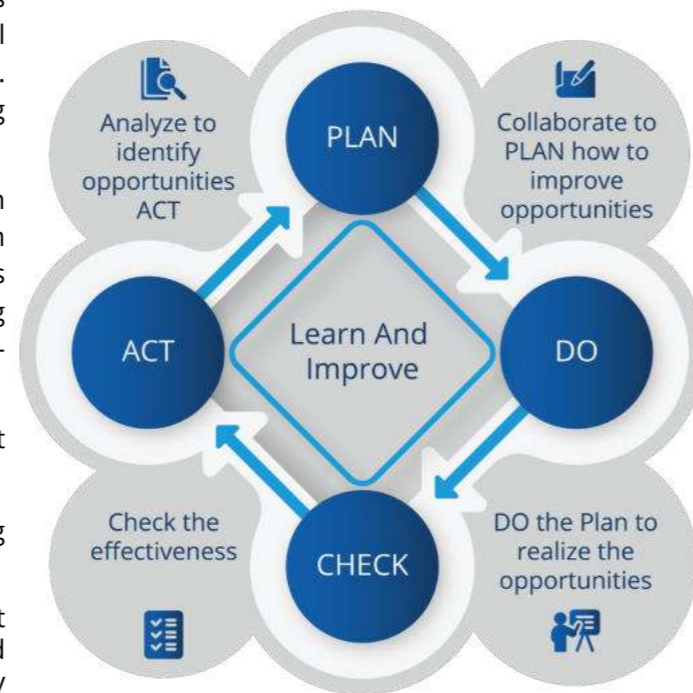
Essential tools adopted by ADC Operations Department to reach these goals are:

- Digital reporting tool called DRS (Daily Reporting System) based on Fiore SAP.
- Semi-automated Operational Optimization Insight tool to measure flat time performance to located invisible loss time and to track Service Quality Non-conformance.
- Electronically sharing knowledge using SharePoint at ADC E-library.
- Introduced standardization (Checklists, Standard Work Instructions, and Emergency Checklists) to sustain improved performance.

Such modifications have covered the followings:

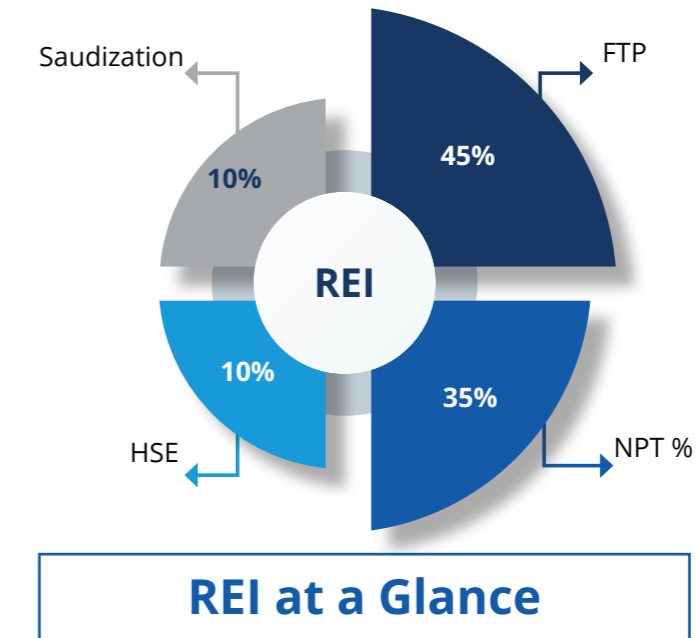


ADC Continuous Improvement Process



Our Performance

To detect our rigs' performance and efficiencies and ensure that we are on the right track of maximizing productivity, we calculate rigs' efficiencies using the Rigs Efficiency Index (REI) on monthly basis. Rigs Efficiency Index is developed by Saudi Aramco. Our rigs are consistently achieving high REI scores. The REI score is based on overall percentage performance in the areas such as HSE, Saudization, Flat Time Performance (FTP), and Non-Productive Time (NPT). Accordingly, we are also focusing more on these areas while developing our sustainable operations.



RIG EFFICIENCY INDEX QUARTERLY AVERAGE 2019-2021



To meet our clients' expectations and stakeholders' interest in terms of performance and service quality, we did pragmatic changes to our operational processes in the past year.



Enhancements at ADC Rigs

An essential part of our work towards advancement relies on focusing the rigs individually and assessing the key areas where we should put our efforts to eliminate inadequacies that could impact our success story in the optimized operations. We develop efficient improvement plans and follow-up on implementation for the rigs which are having minimal scores of REI. Recently, we started involving Saudi Aramco Drilling Technology Department and the Operations Department seeking their feedback and support in identifying and implementing improvement opportunities.

The improvement plans are being represented to the Client and monitored by Service Quality for adherence. Additionally, monthly performance discussions are taking place with the General Manager in order to keep monitoring the implementation and adherence to suggested plans.



Highlights about Conventional Operations Achievements

- ADC Workover Team was able to break a new record in rig AD-14, by delivering HRDH-1162 as the fastest re-entry Pre-Set K in Ghawar Field.
- Well GHZL-55 was the Fastest Re-entry Pre-set Pre-Khuff with one-hole size in Ghawar & similar Fields.
- AD-14 set a new record in last run in Well HRDH-1145: First position for the Rate of Penetration (ROP).
- AD-23 was able to achieve the Best Flat Time Savings, Best Long-distance move of 600km with 3.11 days savings, and improvement in connection times.
- AD-51 set a new record in delivering the Fastest Horizontal Gas Well in North Ghawar fields (Well completed in 22.2 days against a target of 77.2 days).



Key Recognitions and Achievements in the years 2020 and 2021

- Based on the 36 months average REI report received from Saudi Aramco, 20/31 Rigs of ADC Fleet are superior Performance, 6 Rigs as High performers, 5 Rigs as Consistent Performers & 4 scored average performers. Improvement plans for those 4 Rigs are already in place and they have shown considerable improvement in yearly 2021 results.
- 2021 was the year of performance improvement in which ADC hit the best Service Quality in the past seven years having a drilling efficiency of 99.26% as our Operational NPT % was only 0.74%.
- Saudi Aramco has recognized ADC as the most improved drilling contractor in terms of performance. Our Rigs are achieving the best scores in the Rig efficiency Index Offshore as well as inland Operations.
- ADC Fleet has saved around 83.7 days in Flat time during 2020 against the revised 2020 KPI of Saudi Aramco, including tripping, casing, wellhead, and completion.
- ADC Fleet has saved around 100.88 days in Flat time during 2021 against 2021 KPI of Saudi Aramco, including tripping, casing, wellhead, and completion.
- ADC Fleet Average REI for the last 36 Months from Jan-2019 to December 2021 was 91.02%.
- Integrated Drilling Services (IDS) recognized AD41 for achieving 3 records in the last three wells during 2021. Last well was successfully completed in 44.0 days, as the fastest well delivered in the history of Ghawar Gas LSTK Project, since 2013.



Highlights about Oil Operations Department Achievements

- AD-45 completed 26 rig moves in 2021, the highest number of rig moves completed for any land rig in the history of ADC.
- AD-53L: 2nd Fastest single lateral well with lower completion delivered to Saudi Aramco, in Harad Field.
- ADC-54L team achieved a new 603 ft/day Spud to Target Depth (TD) record in HWYH field and delivered the well in 24.3 days.
- AD-54 performed 10 rig moves since July 2021 and 8 rig moves were done in +/- 3.5 days saving around 28 days.
- Aramco recognizes AD-54 team for achieving the highest Rate of Penetration (ROP) and Lowest Cost per Foot (CPF) while drilling 8 3/8" section in MNJR field.
- AD-57 delivered the fastest well in ABHD Field (Well drilled safely in 35.5 days with 0.29% NPT).
- ADC-58 successfully completed Well KRSN-147 in Khursaniyah Field as the fastest well delivery for ADC-58 since the start-up. This achievement was acknowledged and recognized by both Integrated Drilling Services and Aramco.



Highlights about Offshore Rigs Achievements

- AD-20 got 100% in Service Quality Appraisal (SQA) for Q4 2020, Q1, Q2 and Q3 2021.
- AD-80 got 100% in SQA for Q4 2020, Q1, Q2, Q3 and Q4 2021.
- AD-70 Achievements:
 - » Gold Winner - Offshore in ADC Cup for 7 consecutive quarters since Q4 2019.
 - » Cost savings achievements
 - » Ranked #1 in June 2020 REI among all Offshore Drilling Department in Saudi Aramco rigs.
 - » Recognized as the best offshore rig in Northern Area Oil Drilling Department Division 1 for its consistent results and remarkable performance.
 - » ROP records achievements in BRRI Field.
- AD-60 rated #1 in flat time performance, operational excellence and achieved best YTD REI result in 2021 among more than 250 rigs (Land and Offshore Saudi Aramco Fleet).



Highlights about GAS LSTK Rigs Achievements

- AD-41 drilled the fastest well (UTMN 3139) in the history of Ghawar LSTK rigs since 2013: Total time of completion was 44 days.
- AD-42 was selected as Best Rig of the year 2021 between all Gas LSTK rigs.
- AD-56 delivered the fastest well HRDH-1296 between all wells same type in HRDH field (Completion in 70.8 days without any HSE incidents).
- Selecting AD-64 as Rig of the Month for December 2021 due to the achievement of Highest Rig Health score 99.6%, given by the Integrated Well Construction (IWC).
- AD-67 Achievements:
 - » Consistent safe operations with ZERO HSE events
 - » Field Best Spud to release for Preset wells considered same design and lower completion.
 - » Achieved Aramco record 34" section average Rate of Penetration (59 ft/hour).
 - » Highest Spud to Target Depth and Spud to Release KPI 297 ft/day.



Received from Project Manager, Ghawar Gas Program, Schlumberger

Appreciation Letter for Rig of the Year 2020

I am proud to announce that ADC-55 has achieved "Rig of The Year" for Ghawar Gas LSTK...

There is still plenty of achievable lined up for the next year and I am sure that we will keep up with our excellence.



Received from the Manager, Southern Area Oil & Gas Drilling Department, Saudi Aramco

Appreciation Letter for End of Year 2021 Achievements

We would like to acknowledge your ongoing support and collaboration which made these achievements possible.

As we continue our journey towards excellence, being proud of our achievements in 2021 and prepared for the challenges of 2022, I'm confident that we will once again accomplish another year of success.



Received from Drilling Superintendent, Schlumberger

Appreciation Letter for Rig AD-54 Achievement in 2021

I am sending you to convey our appreciation for your exemplary safety behavior, planning, teamworking, and leadership which simply resulted in done the high-way rig move in Ramadan time meanwhile the summer season in only 3.5 days.

The initiatives you have introduced and continuous improvement without compromising safety is first class. Your desire to further improve and initiatives have enabled the entire oil rigs to capture your lessons and improve their performance. Much appreciated best team ever.



Received from Drilling Superintendent, WCS, GO Project, Schlumberger

Appreciation Letter for Rig AD-53L Achievement in 2021

I would like to take the opportunity and recognize AD-53L on outstanding delivery of well HRDH-571 with excellent performance and proper implementation of risk management tools and measures!

I would like to appreciate everyone involved in AD-53L team who have definitely played a role in outstanding results in terms of Safety, Performance and Teamwork! This could not have been done without the commitment and dedication of the entire Operations and Engineering team, with excellent collaboration between the two and excellent HSE initiatives and implementations of Lessons Learnt from across the project.

I am truly proud to announce the achievements done on behalf of the entire AD-53L team. Let's keep up the good work and continue improving in our coming operations!



Enhancing Operational Efficiency with Maintenance Management Program

At ADC we always aim to ensure that we can maintain the reputation of our company, minimizing financial losses, improving our technical skills along respecting the health and safety requirements. Our maintenance program is built in line with the following key essential objectives. We involve our maintenance team and conduct their periodic training to achieve the following essential goals:

- » To establish a good organizational structure with defined responsibilities within that structure.
- » To initiate good planning and scheduling with regard to the allocation of personnel.
- » To promote good motivation and morale through sufficient training programs.
- » To develop and put in place the essential preventive and conditional maintenance plans and programs, resulting in an acceptable and controlled percentage of the shutdown.

Enhancing operational efficiency by reducing non-productive time

In order to accelerate our work to deliver the targeted quality and exceed our customers' expectations, we put all our efforts into reducing our non-productive time. In order to achieve this goal, key practices are being followed at ADC as listed here below:

- » Adherence to ADC Continuous improvement process
- » Standardization which includes Mandatory Checklists, Standard Work Instructions
- » Launch of new Operations Manual
- » ADC First Publication Well Control Manual
- » QA/QC on Aramco codes
- » SQ Champion assigned for Mentoring the Rig personnel
- » Back to Basic Campaigns lead by SQ team
- » Performance of periodic SQ Audits for Operations Excellence & Compliance

Additionally, we track the condition and overhauling plans for the major equipment to avoid any equipment failure. This will also help us in reducing non-productive time of the rig due to equipment failure. Online BOP tracking application has been developed for proper tracking of equipment certifications. Monthly Service Quality & HSE Improvement meetings are being held to achieve the maximum reduction in non-productive time and enhancement of the on-site performances.



Adherence to ADC Improvement Processes and Standards

For improving our on-site operational efficiency, we kept ensuring the adherence to ADC Continuous Improvement Process, ADC QHSE plans and Service Quality Standards.



Our Standardization project will serve ADC sustainability journey in addition to helping us reducing any area of non-productivity.

Adding to the above, we have conducted brainstorming sessions on Rig Move Process and Standard Binders with ADC rigs managers and OFSAT. We have introduced new checklists, SOPs for the Rig Move Process, launched the LEAN on Rig Moves and which has shown an important and significant improvement during 2020 and 2021.

Moreover, ADC has launched its own Well Control manual Customized based on our client Well control Policies while new version of Operations Manual has been also released in 2020 & upgraded in 2021. All Rig Specific Procedures are also taking into consideration the quality, health and safety events in order keep taking all necessary measures and following the best protocols for adherence to QHSE regulations and standards.

Enhancement in Daily Reporting System

ADC Service Quality Department is continuously working on enhancing the quality of our daily reporting system which is connected to a central database (BW) to be utilized for continuous improvement processes. Some of the optimization features in this new daily reporting system are:

Automatic emailing of Daily Operations Summary Report at cut off time (9 AM) to a predefined list of personnel.

Live Dashboard which can be viewed by Rig Managers providing them Data Quality i.e., quantity of data for Mud, POB, Operations, Bulk, etc.

Accessing the Daily Reporting System without SINET and through mobile devices.

Generating separate and combined reports along with Operations data on POB, MUD and Bulk.

Optimization of ADC Flat Time Performance & Data Centralization

ADC Service Quality Department with the support of ADC IT team have completed internal semi-automated performance monitoring project, which is helping us to monitor the performance of ADC rigs by using ADC & Saudi Aramco data all together in one central database.

SAP Business Warehouse (BW) is used as a central database and is connected to all data sources for establishing one composite central database. This increases the reliability of data using semi-automated processes. It also helps ADC to align with Saudi Aramco new rigs' procurement & performance strategy.

Optimization and Process Enhancement in Operations

We conduct continuous brainstorming sessions and workshops to innovate and implement process improvement projects and techniques that could serve the performance and efficiency of our on-site operations and the monitoring mechanism as well.

Such improvement projects covered the Operations Optimization Insight (OOI), which is a semi-automated electronic method for detecting and analyzing the rig activity based on historical data. The objective of this methodology is to identify any opportunity and to reduce the Invisible Loss Time (ILT-Flat Time) & Non-Productive Time (NPT). Thus, we will be able to benefit from any source of waste of time during our operations and transform it into an efficient source of satisfaction to our clients.



Enhancement in Communication System

Effective communication was the pressing priority during Covid-19 crisis. We have taken the best possible measures and conducted many workshops to ensure that all our people are aware of the progress of the operation. ADC QHSE Department has established a Field to Office Protocol which has introduced essential communication guidelines. Additionally, online engagement sessions were conducted to maintain continuous communication between the supervisors and crew staff.

We kept ensuring that the assignment announcements along with any organizational changes are being shared with all concerned employees.



Series of workshops conducted by the QHSE Team involving stakeholders for performing a communication gap analysis, highlighting the necessary action plans.



Execution of Service Quality Champion Field Mentorship Program during 2020 and 2021 for improving communication and mentorship process at ADC.



Organizing two Service Quality sub-committees, the ADC Well Control Committee, and ADC Service Quality Committee, to extend support to operations in well control scenarios and to get the expert's input in any kind of SQ downhole operations issues and NPT assignment disputes led by seasonal experts & Senior brains of ADC Operations.



ADC Operations Management aims to empower the field staff and to bring the best drilling industry practices so that ADC Operations Team is able to control any kind of downhole operational events.



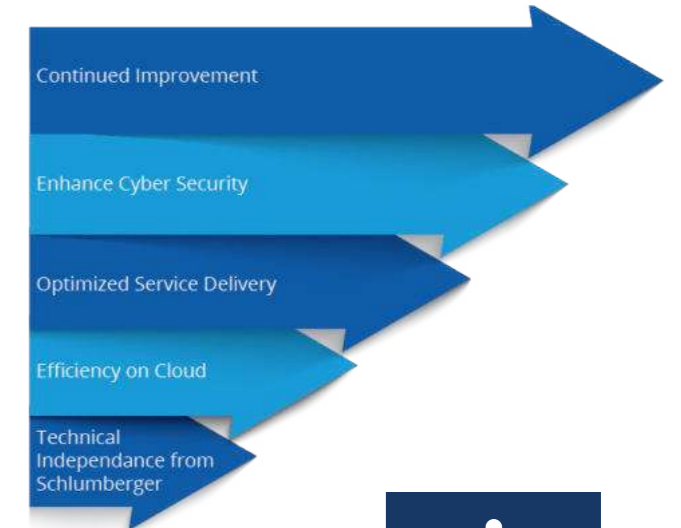
Road Ahead for the year 2022

- In 2022, we will be introducing a new department titled Operation Excellence (OE) which will foster continuous growth and performance improvement across all site functions by identifying and leading Operational Excellence initiatives. The new department will be dedicated for the continuous improvement of our company, will help us selecting the projects perfectly with a clear mandate to protect rig reactivation and will participate in bringing value to the technological improvement taking place at ADC.
- We have conducted at ADC internal as well as joint Service Quality brainstorming sessions with our client IWC Program management, Operations Integrity and Operations Support Team from our clients in which we have agreed on the way forward Joint plan for 2022.
- ADC Automation of performance monitoring project will bring ginormous evolution of ADC Performance. The Project will start its benchmarking using sensors data and will help the operations team to achieve the operational excellence targets. The project will be executed in 2022.
- We will work on the Rig Move Proactive Initiatives for enhancing the Rig moves of ADC. Rig Move Optimization Project using technical time limit methodology will be extended to entire ADC land Fleet.
- We will work on the Back to Basic Campaign which will be designed mutually after reviewing historical SQ events and proper lessons learnt library will be prepared and outcome of this library will be shared across the fleet along with associated campaigns. Library of Back to Basic Question of the day will be prepared and shared across the fleet for touching basics in operational and downhole knowledge for these campaigns will be extended to IWC Well Site Leaders as well.
- We will Conduct Procedural Adherence Campaign and associated Audits.
- ADC SAP CAT Audit will be designed and executed across the fleet starting with Gas LSTK which will cover all major equipment starting with TDS which constitute a major NPT contributor.



Digitalization & IT Road map

In 2019, ADC Information Technology Team developed a 5-year IT Strategy plan which relies on five (5) essential pillars as following, in line with executing a sustainable business strategy that positions our company to another level of innovation within the Drilling Sector.



IT Projects

Microsoft Information Protection

Data classification project entails issuing data classification standards, procedures, and implementation of data classifications. Data classification allows categorization of stored data with respect to sensitivity and impact to determine the risks associated with the data.

Desktop Encryption

Desktop Encryption Project is dedicated to identify mobile devices security standards. The primary goal of encryption at rest is to protect information in case the computer or mobile device is lost or stolen.

Learning Management System (LMS) & Success Planning (SP) System

The result of this project includes implementing two Success Factors new modules; which include Learning Management System (LMS) and Succession Planning (SP) intending to replace the current Training Tracking System (TTS).

Multi-Factor Authentication

MFA is an electronic security measures which permits access to a person's account only after they have successfully presented two forms of authentication. It is used to ensure people are who they say they are and protect their accounts and information.

Phone and Audio-Conferencing Relocation

Phone system and Audio-Conferencing relocation will help decouple the phones and audio calling management system for ADC from Schlumberger phone management system.

Basma Project - Electronic Personnel on Board (ePoB)

In 2021, we launched the pilot phase of the Basma Project. The project is considered an essential step in digitalizing ADC processes. It relies on collecting timesheet data automatically using biometrics fingerprint and face ID data. Upon implementation of this project, we will have an automatic timesheet for employees, limiting the need for approval only for exceptional cases.



ThinkIT Program

IT department has created the ThinkIT program in 2020. This program provides consistent user coaching and training sessions, which brings a more standardized approach to the training needs and content delivery to users. It entails a variety of consistent user coaching and training sessions.

As we become more and more reliant on technology, it's decisive that all staff comprehend how to use the IT solutions, tools, and electronic systems. ThinkIT program covers a variety of subjects from business applications, systems, infrastructure, to network and cybersecurity, including various online and face-to-face information technology courses in ADC's main office, Dhahran Base, Khafji Base, OFSAT, and rig sites. Information Technology is one of the most popular and fastest-growing industries worldwide, therefore, the ThinkIT program training material is constantly improved and updated to meet the technology pace.



OFSAT SAP Preventive Maintenance (PM) Module Reform

The project tends to reform the OFSAT SAP PM Module and train the OFSAT staff to utilize the system, to improve ADC's sustainable operations and OFSAT major equipment such as the wheel loaders, the trucks and the rough terrain cranes. Additionally, the project extends its objectives to align the maintenance schedule of the equipment in line with original equipment manufacturer standards, thus the OFSAT fleet master sheet data is also being updated after the module reform

Road Ahead for the year 2022

Year 2022 will be a year of digitalization and innovation. We will be focusing on achieving our targets in line with the 5-year IT Strategy by collaborating with user departments. Some of our key digitalization and innovation projects are:

Network Segregation Program

The objective of this project is to meet the ADC ambition to decouple ADC's IT operations safely and securely from Schlumberger's IT operations. The project will assist in providing more security and flexibility for managing bandwidth and field connectivity.

SAP GRC Project

SAP Governance, Risk, and Compliance Access control (SAP GRC) is a new module in SAP to attain access control per the pre-defined position roles to obtain Segregation of Duty (SoD).

SAP Ariba (Tamkeen Project)

SAP Ariba Integrated Solution, will help transform, optimize, and streamline the approach in which ADC procure and pay for materials and services. The new system enables connecting with thousands of suppliers, strategic sourcing, evaluating the vendors, intelligent payment, and spending analysis.



QHSE (INTELEX) Platform

The QHSE (INTELEX) Health and Safety Quality Management Platform implementation aims to replace the legacy "QUEST and InTouch" systems with new platform "part of segregation projects".

Journey Management

Part of the QHSE (INTELEX) Health and Safety Quality Management Platform is a new implementation of fleet management with the purpose to replace legacy systems as a part of the segregation project.

End Point Detection & Response (EDR)

This project strives at launching to implement an endpoint detection and response for all ADC and OF-SAT machines and servers. Endpoint detection and response is a cyber technology that continually monitors and responds to mitigate cyber threats.

Disaster Recovery Plan (DRP)

The DRP project attempts to set procedures to recover and protect the ADC's IT infrastructure and business applications in the event of a disaster that occurs at the primary data center.

Vulnerability Management Project

Vulnerability Management Project assists ADC IT department to prioritize possible threats and minimize their "attack surface". This project is mandated by the Cybersecurity Policy of TAQA.

Document E-Signature

The purpose of this project is to automate signing documents in a way that ensures the security, mobility, reliability, and ease of use needed to achieve a digitized transformation of the Company business.

IT Asset Lifecycle Management

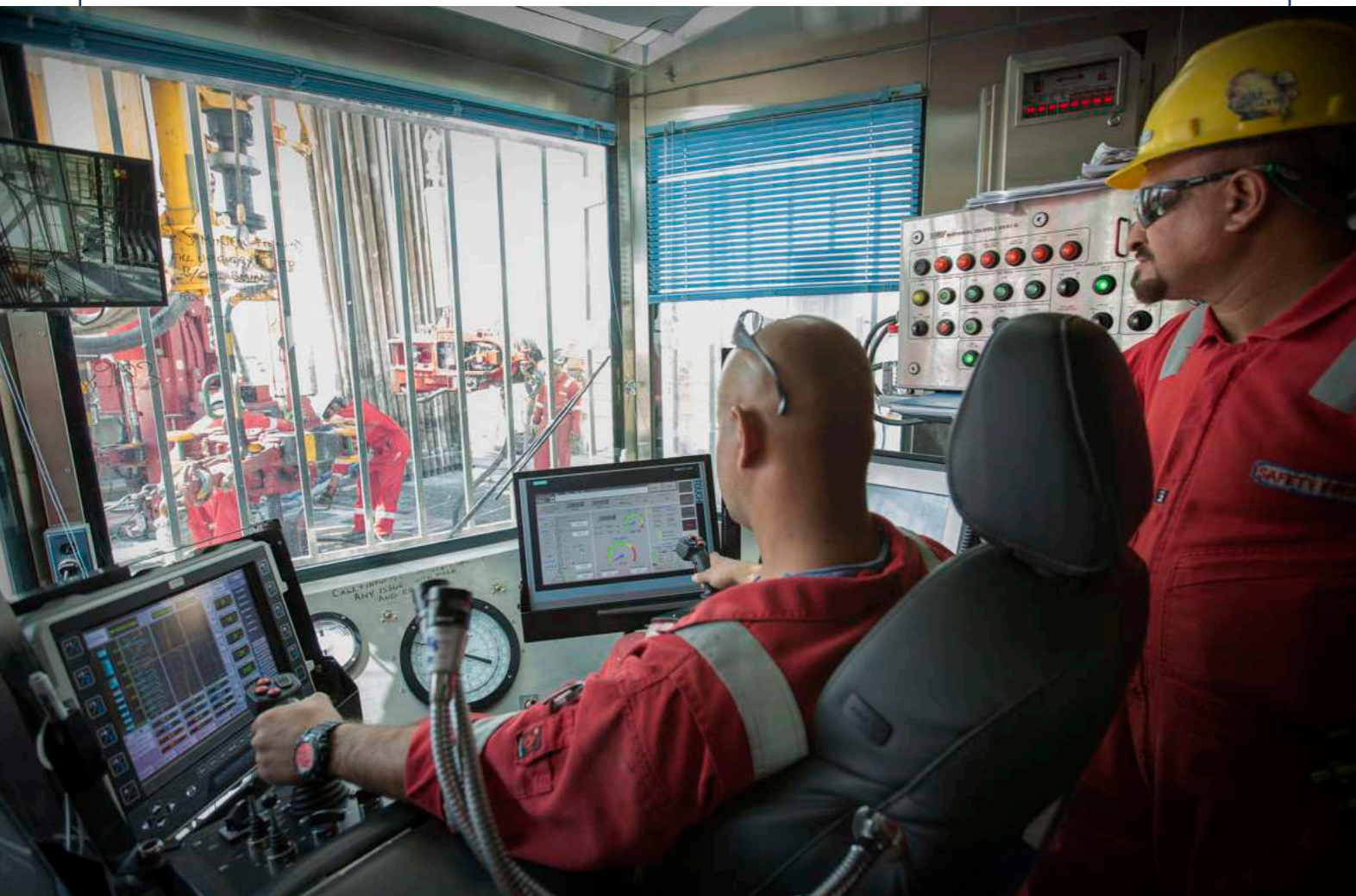
This project started with the objective of stating IT Asset Management Standards and Procedures. Furthermore, it aims to include IT asset lifecycle management in one single repository and utilize the Key Performance Indicator (KPI).

Network Admission Control

The Network admission control systems project allows noncompliant devices to be denied access, placed in a quarantined area, or given restricted access to computing resources.

RFID Tags and Asset Tracking Software MACSG

Integrate the MACS-G System "Equipment Relocation System" with the SAP system. It is a joint project between IT and Asset Management Departments.





Health and Safety

Despite many obstacles arising due to Covid-19 pandemic, we recorded the highest safety performance in the past 10 years. Our safe and secure work practices help us make an impactful difference in our operations.



Governing Principle



ADC is cognizant of the fact that our people are a treasure that keeps the organization resilient against all odds and needs to be taken care of. Thus, the safety of our employees, clients, contractors, and other service providers is our prime responsibility. Our Health, Safety, and Environment (HSE) Policy is the foundation of Company's commitment and our employee's responsibilities to maintain a safe and healthy work environment.

ADC has implemented comprehensive HSE policies, processes, and systems which are in line with industry best practices. Our Loss Prevention Team (LPT) at each location assists the management in identifying, evaluating, and monitoring QHSE activities and risks associated with them throughout all offshore and onshore operations. LPT meetings are conducted once a month to nominate the best participants and distribute the related awards.

At ADC, all employees are provided with the appropriate training, PPE, and empowerment to be personally responsible for their own, their coworkers, and the environment's safety.



Safety Culture

Considering our diverse stakeholders including ADC representatives, clients, other service providers, maintaining a strong safety culture is an apex priority for ADC and its stakeholders. Our core safety values include:



Safety Focus

Safety is the first of our four core values. At ADC, we put safety at the heart of everything we do, to protect people, assets, and the environment.

Our emphasis in 2021 was to ensure all our personnel is focused on working safely, especially during times of COVID-19. We are motivated to create a safe working environment where no one gets hurt and all work-associated risks are successfully managed and mitigated. Our Job Safety Assessment (JSA) process requires robust planning which includes safety meetings, safety training, pre-job planning & risk assessments to ensure that personnel is aware of the requirements to work safely, and the risk associated with their tasks.



Our HSE severity matrix assesses the impact of potential environmental risk.

Personal Safety Category	Loss Description	Light	Serious	Major	Catastrophic
Common to all HSE Hazards	Generic HSE classification if no specific severity guidance is provided	\$ Loss <10K Days (LWDC or RWDC) <1	\$ Loss >10K - <100K Days (LWDC or RWDC) >1 - <100	\$ Loss >100K - <1M Days (LWDC or RWDC) >100	Multi-Catastrophic \$ Loss >1M Loss Category Loss of Life (fatality)
Health	Illness	Medical treatment or first aid case, return to normal duties by next day	<ul style="list-style-type: none"> Temporary disability Any illness involving 1 day or less hospitalization 	<ul style="list-style-type: none"> Permanent disability Any illness involving > 1-day intensive care 	Fatality-illness



Our quality medical services and safety pervades **everything we do and stand for**, onshore as well as offshore. Our diverse safety programs and practices promote a healthy culture in which employees and contractors work together to establish a safe working environment so that everyone in our operations returns home safe and well. The following are some of our most well-known initiatives:

Journey to ZERO Incident

Journey to Zero Incident stands at the heart of our safety culture. Our goal is to achieve 'ZERO' major incidents during rig buildups, transportation, rigging-up at well sites, and spudding of the new rigs/well. We are working towards our goal in close collaboration with leadership and all our employees.

2021 was another year of success in Occupational Health and Safety. In 2021, there was an 8% reduction in 'Lost Time Injury Frequency Rate' and a 9% reduction in 'Total Recordable Cases Frequency Rate' as compared to the year 2019

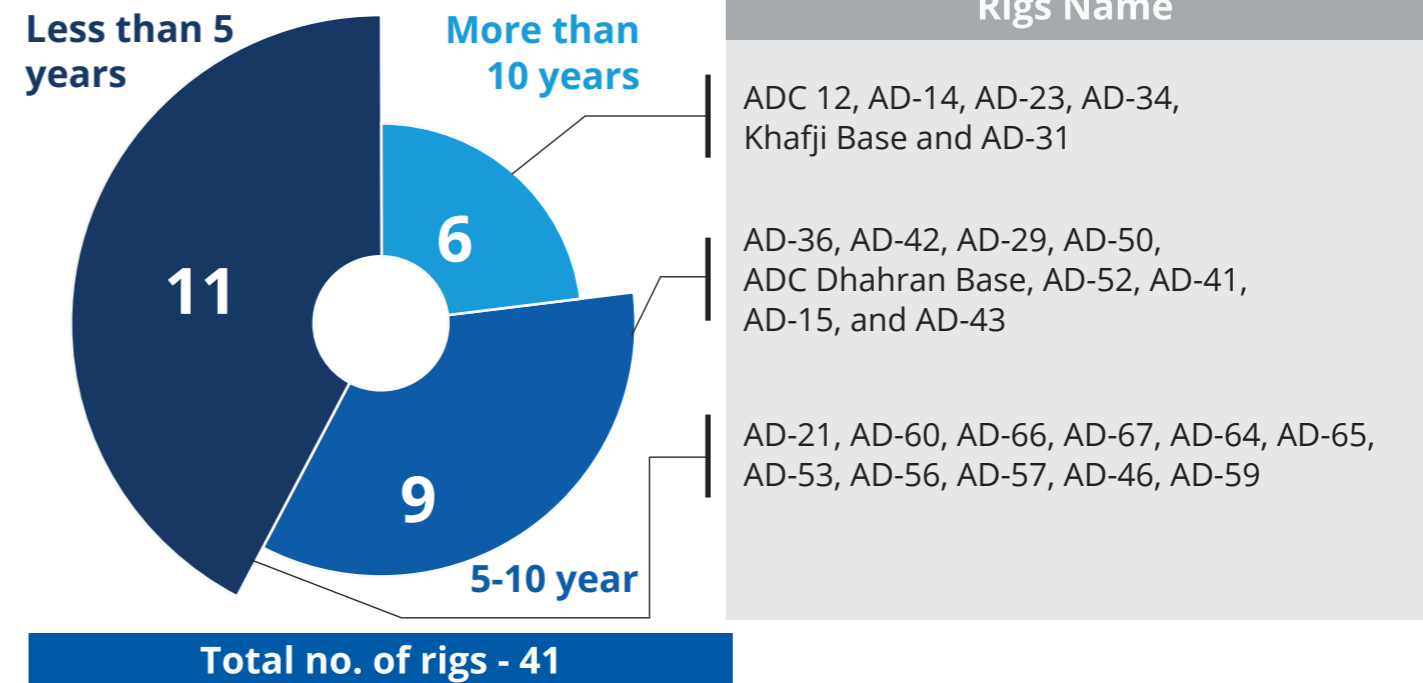


40 rigs
completed zero LTI's

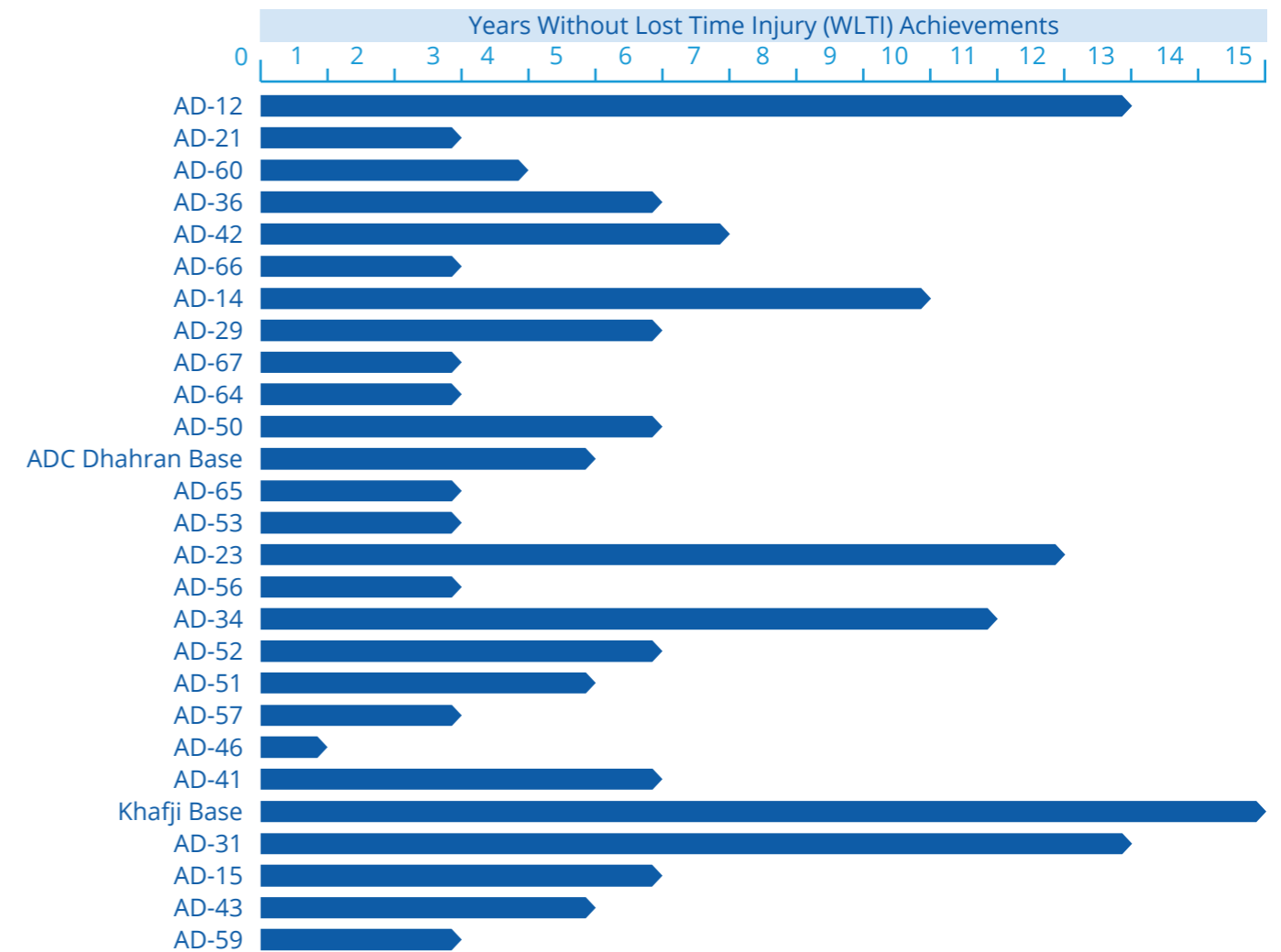
39 rigs
having zero Recordable Incident

39 rigs
completed without any recordable HSE event in 2021

Years without Lost Time Injury (WLTi)



Track Record Of WLTIs (As of 2021)



Zero Tolerance Campaign at OFSAT

A robust governance framework is being established at ADC to protect our reputation and assets (machine & recourse). In this direction, ADC takes a zero-tolerance approach and regularly develops 'Zero Tolerance Rules' which are fully adhered to by all our employees.

Zero Tolerance Rules for any personnel that is not committed to complying with the company's quality standards/policies/procedures from supervisors/management.



Hand and Fingers Injury prevention campaign

The rich incident recording data allows us to proactively address issues that are surfacing before a negative event occurs. After reviewing our incident database, it was discovered that the number of events involving hand and finger injuries is significant, thus ADC launched a Hand and Fingers Injury Prevention Campaign in 2021 to raise awareness among the crew. The goal of this campaign is to raise Hands & Finger Injury awareness to a significant level through visible leadership and engagement, which will help us achieve our goal of Zero Injuries.

ADC Stop Tour Campaign

ADC Stop Tours is used to identify work risk conditions at-risk behavior and coach the crew in Hazard Identification. Rig Supervisors conduct daily work tours and record at-risk conditions, observations, and findings which are discussed and resolved in weekly supervisor meetings. More than 21000 stop cards have been reviewed by top management during this campaign to nominate the best participants.



Achievements in the year 2021

- There were no HSE-recordable CMSL incidents. Both ADC and OFSAT met their HSE goals for 2021.
- The ADC has extended and re-adjusted the driving Green Zones to encompass Abqaiq town and Hofuf town, as well as the blacktop route to Shadgum.

Robust Health Programs

1. ADC Health Lounge Program

Employees and their families engaged in the following health examinations as part of the ADC health lounge program, which is one of the company's oldest well-being programs:



- Blood Pressure test
- Blood sugar test
- Vision eye screening
- Dental check

2. Seasonal influenza vaccine campaign

At ADC recreation center, ADC Medical Services & Insurance section held a seasonal influenza vaccine campaign for its employees and their families.



In 2021, QHSE Team launched several campaigns for all ADC employees. The purpose of these campaigns was to make them aware for any additional risk associated with extreme seasons and how to cope with them. These campaigns included Ramadan, Summer and Winter Campaigns.



Safety Monitoring

ADC enlisted KPIs that ensure safety measures and health benefits for all people. HSE Performance is monitored and reviewed with senior management at the end of each month. In 2021, we achieved a 9% reduction in our Total Recordable Injury Frequency compared to 2019.

The challenge is that our employees will often have to deviate from the planned procedure to accommodate the changing environment in which they work.

All unexpected events, including near misses, are investigated to determine what barriers or controls failed. To avoid a recurrence, the lessons learned are shared with all of our employees.

Emergency Preparedness

ADC has developed an emergency preparedness procedure and committee to ensure that they are well-prepared in case of emergencies such as spills, fires, leaks, explosions, etc., and minimize the damage to human life, its assets, properties, and the environment. Emergency drills are held on a regular basis to ensure that the emergency response system remains stable.

Safety Audits

ADC also conducts regular safety audits to identify hazardous and unsafe acts, ensure compliance with standard operating procedures, and assess the effectiveness of its safety systems. Corrective actions are taken in accordance with the standard operating procedures. Monitoring of internal and external audit recommendations is carried out rigorously.

ADC encourages its workforce to report hazards and unsafe situations to strengthen internal controls. The workforce is also encouraged to report and provide recommendations in the Management of Change system. Awareness programs are conducted to highlight the importance of near-miss reporting.

HSE KPI (2021)

Description	Upper Limits	Actual
TRIF	0.95	0.22
CLTIF	0.80	0.14
AARM	0.26	0.15

TRIF: Total Recordable Incident Frequency

CLTIF: Combine Lost Time Incident Frequency

AARM: Automotive Accidents Rate (in Miles)



Our COVID-19 Response

The health and well-being of our people are of the utmost importance to ADC.

The onset of the COVID-19 pandemic made 2020-2021 a year like no other. As a responsible corporate citizen, ADC has emerged as a caring, humane, and agile organization fulfilling its commitments to a multitude of stakeholder groups. Through its dedicated work, ADC has been able to script success stories under these unprecedented circumstances.

ADC continues to manage its business in the COVID-19 situation and keeps implementing the Saudi MOH requirements and our business continuity plan to manage the business and to manage the fatigue of our people in the field.

Travel limitations and shifting regulations during COVID-19 resulted in employees staying offshore longer than planned or being confined onshore. We use charter flights to get over the travel obstacles in the year 2020.

To ensure the health of personnel working offshore, we supplemented our existing medical arrangements by providing awareness on the virus and additional measures for screening and isolation of suspected cases. Our Crisis Management Team (CMT) stays in place to monitor and take immediate actions including a swift deployment of location-specific COVID-19 protocols. We safeguarded and supported our workers while ensuring that our critical operations are the least affected.

Our operations, on the other hand, are protected by the creation of backup staffing pools, which allowed us to increase workforce mobility while reducing the pressure on our rig crews. At our headquarters, we have created remote working programs and social distancing policies for our personnel.

Through constant communication (via the QHSE communication portal) being sent to all ADC personnel to update them about the changing situation/protocols and the government and company arrangements, we have ensured their continued engagement and wellbeing.

HSE Training

Training forms the crux of any occupational health and safety management system. ADC conducts process-specific and refresher training for its employees, contractual workers, and other relevant stakeholders. All employees and contractors working on ADC rigs are subject to the HSE and Emergency Response Training delivered through various courses. Customized training programs are carried out on topics such as effective emergency mitigation, risk analysis, JSA, accident investigation, electrical safety, firefighting, among others.

The content and extent of the training provided are role-dependent and more extensive for those holding

emergency response responsibilities. In addition, specific shore-based training is provided to personnel assigned to a rig.

To continue delivering safety-critical competency training and certifications for our employees in the face of operational challenges posed by COVID-19, we partnered with certification bodies to deliver remote training and/or certificate renewals, where possible. Out of the total 292 trainings planned in 2021, 196 (67%) training were conducted. For more information, please refer to section 'Training & Development' (page no. 122).



Road ahead for the year 2022

- To increase team cohesion, ADC will have weekly supervisors' meetings and staff engagement sessions.
- We are aiming to conduct a vaccination campaign to encourage employees to have 3rd dose of the Covid-19 vaccine.
- As part of the so-called connecting the dots initiative, ADC will offer soft skills and teamwork building courses for staff in offices and locations.
- ADC QHSE Team will conduct multiple awareness campaigns to prevent injuries, such as driving hazards during the winter and the summer stress.

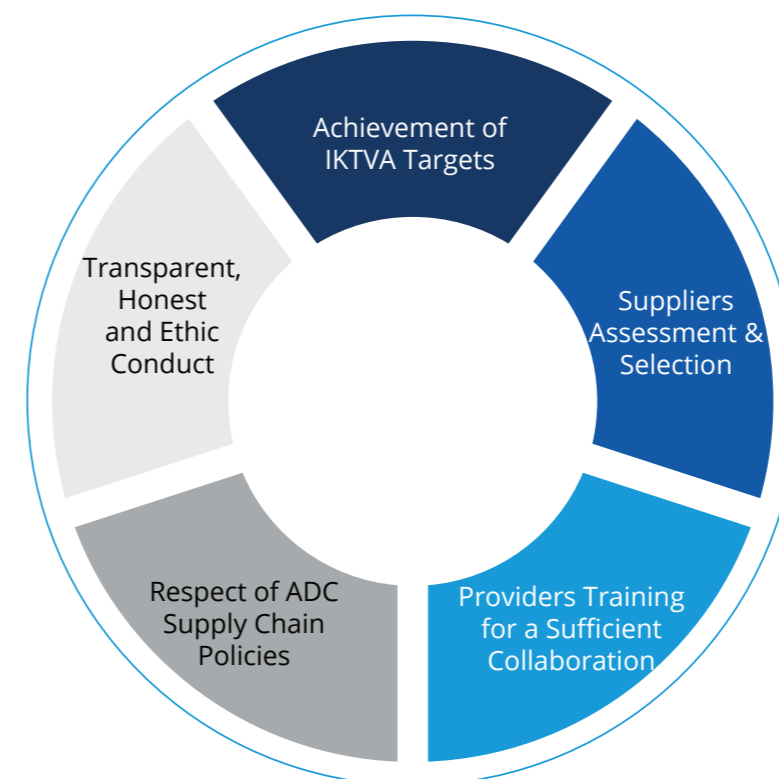


Economy

Maximizing our investment capabilities as we move forward towards growing our Saudi Economy

At ADC, socio-economic growth is at the heart of our business operation, we are committed to implementing a series of strategic investments in innovation and sustainable development. Significant efforts are dedicated to all sustainability aspects to ensure that we are on track to achieve Saudi Vision 2030.

Our improvements are not limited to internal changes or updates to our routine operations; instead, we go beyond the ordinary at strengthening our relationships with external stakeholders such as suppliers, and subcontractors to ensure that we are closely monitoring and minimizing any source of negative impact on our business growth. To do so, we have been investing in the selection criteria of our partners, integrating them into our people's training to ensure that health and safety norms are embraced and assuring that meeting the requirements of Saudi vision 2030 is a top priority and strategic objective of our partners and stakeholders.

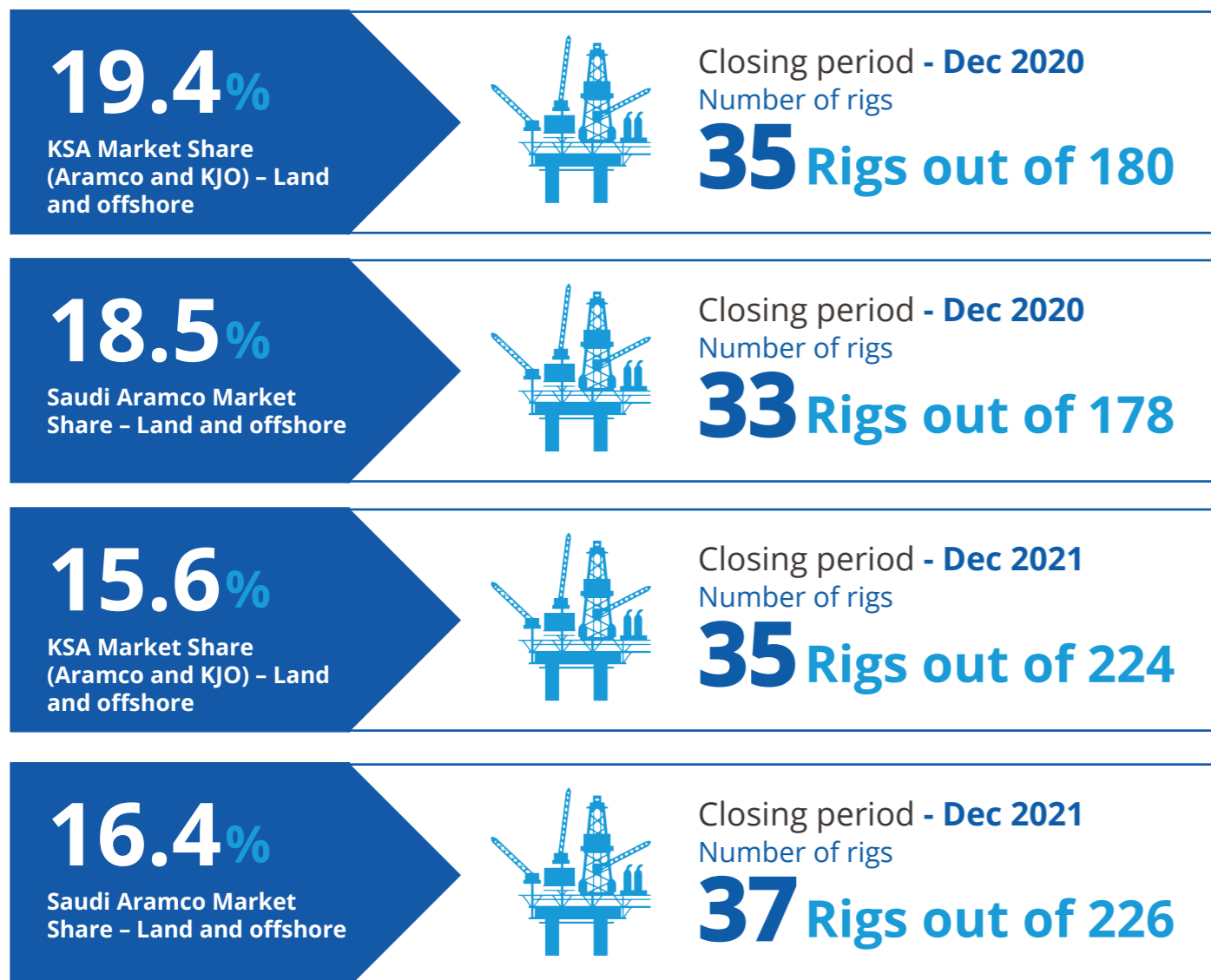


We contribute to the development of our plans and ensure financial and economic growth

We are committed at ADC to overseeing our financial flow cycle and ensuring the development of our policies and procedures in accordance with our long-term planning for a sustainable economy to maintain continuous improvement in profitability and devise essential strategies for our economic growth.

We at ADC ensure that our financial reports, KPIs, and the Company's financial statements are reviewed on a regular basis to access the financial information periodically. We comply with the financial regulations and the relevant local policies and standards.

Market Share highlights



We place our customers at the center of business decisions, and we target exceeding their expectations

The satisfaction of our clients is an essential aspect of our success story. Therefore, we performed the Service Quality Appraisal Rating for 2020 and 2021 to ensure that our performance was always in line with our customers' needs and expectations and that ADC was able to overcome the economic impact of Covid-19. The results listed in the table below, show that we have achieved a high level of satisfaction in 2021 despite all the challenges faced in the drilling sector.

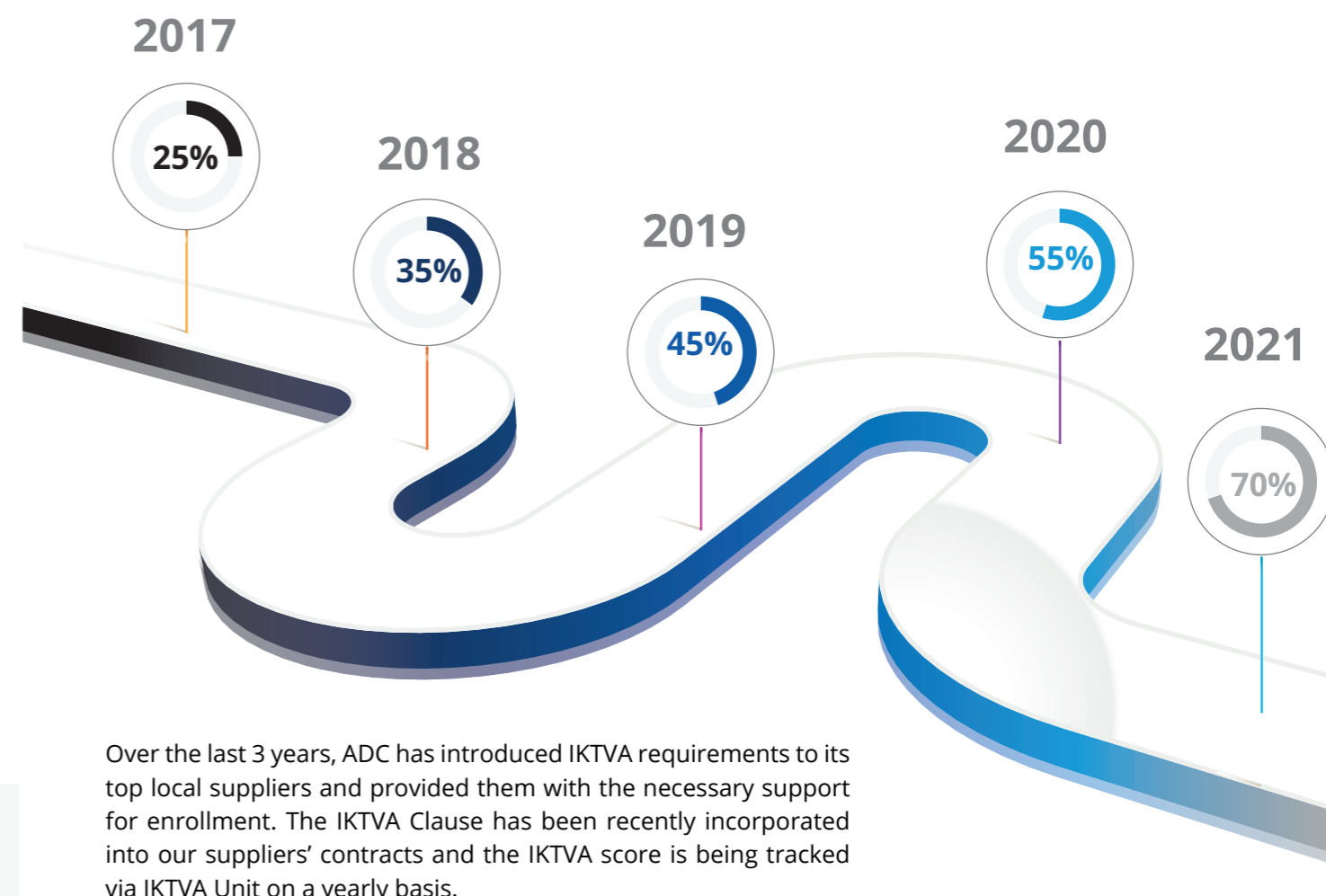
Customer Satisfaction – REI & SQA							
	2015	2016	2017	2018	2019	2020	2021
Service Quality Appraisal Rating	88%	90%	92%	92%	92%	92.3%	93.73%

In-country Economic Development


IKTVA Journey, Targets, and Achievements

At ADC, we have a long-term mission to meet yearly IKTVA Targets. We are developing our targets to remain at the frontline of engagement in Saudi goals achievement and global market competitiveness by employing the most advanced innovations and technologies.

ADC's IKTVA TARGETS



Over the last 3 years, ADC has introduced IKTVA requirements to its top local suppliers and provided them with the necessary support for enrollment. The IKTVA Clause has been recently incorporated into our suppliers' contracts and the IKTVA score is being tracked via IKTVA Unit on a yearly basis.



ADC was able to meet and even exceed target for the past years, where 58% was achieved in 2019 and 62% in 2020

IKTVA Award for 2021: Best in Saudization (Services)

Training and Workshops for Enhancement of ADC Supply Chain Approach

Improving the competitiveness and capacities of our Suppliers is an inherent element of our partnership plans. We always ensure to get them involved in our health and safety training. Thus, we rest assured that they are capable deliver in accordance with our level of safety standards.



The safety training courses cover the Safety Course (HSE induction, First Aid & Fire Safety Training), the Rigging & Lifting Training for suppliers' crane and forklift drivers, and the Helicopter Underwater Escape Training (HUET) conducted for all employees working on offshore locations, including ADC permanent suppliers, and the Driving Course which includes Defensive Driving and DT Commentary Driving, Vehicle Passenger, DT Tires and Rims and Aramco driving Rules for logistics and transportation contractors especially Truck and Trailer Drivers and Bus Driver.

We monitor, track, and improve IKTVA scores on a yearly basis to maintain continual improvement according to Saudi Vision 2030. ADC has always and will continue being a supporter to its internal and external stakeholders for improving their awareness about Saudi Vision 2030 and developing their skills through continuously conducting workshops and any needful awareness session.

Powerful Supply Chain & Economy Approaches for a Sustainable Business

At ADC, we set our targets, plan for achievement, and act wisely for exceeding expectations

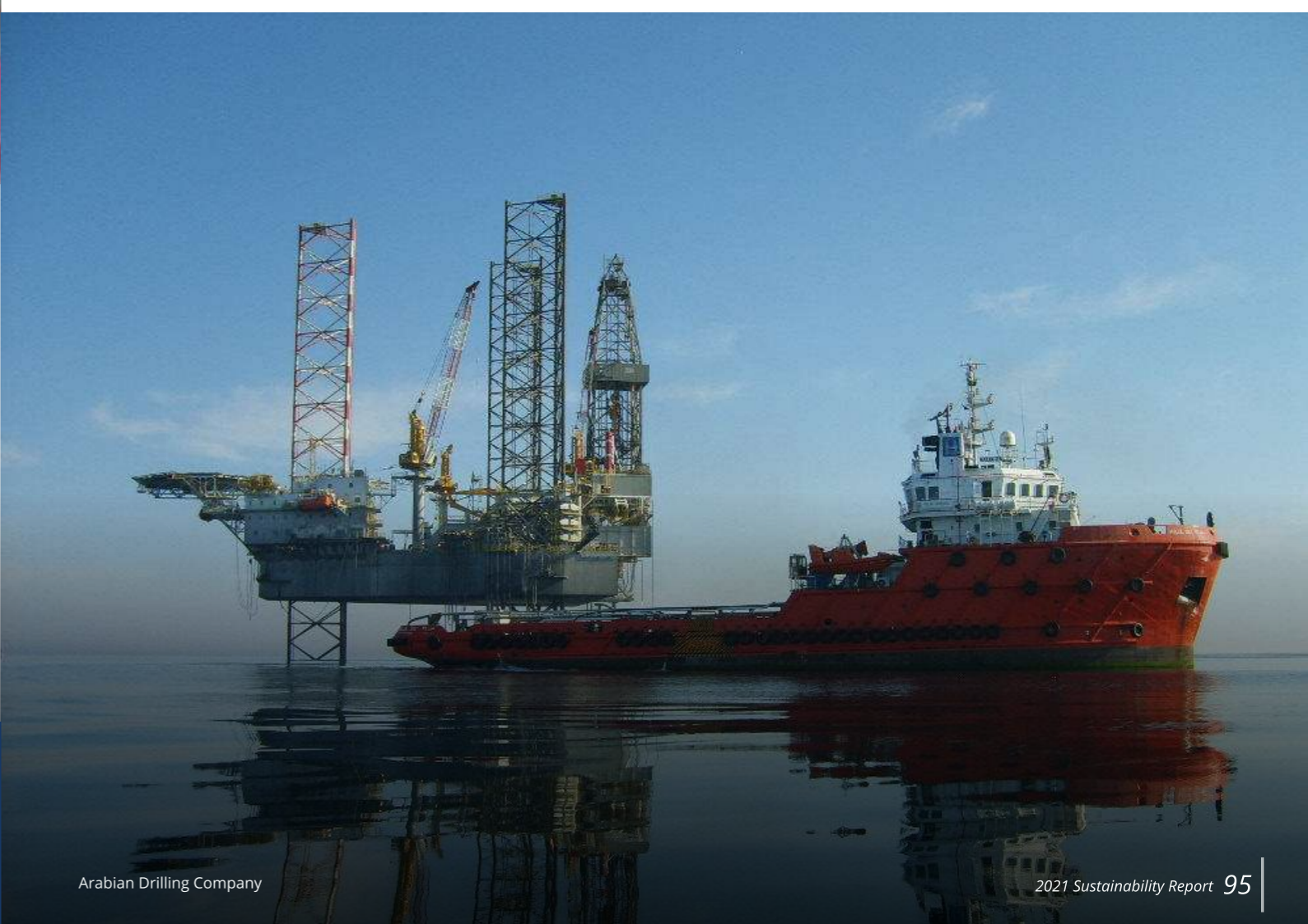
Responsible Supply Chain

At ADC, the first step to ensuring responsible procurement through our supply chain is partnering with the right Suppliers or third parties who are aligned with our corporate values and policies.

We set our short, medium, and long terms Company's supply chain plan and make sure to prioritize the local procurement across all areas of operation.

On the other hand, we encourage foreign Suppliers to invest in KSA and expand their local existence by showcasing the annual purchased material cost and potential business opportunities that eventually result in further development for KSA's national economy.

With this approach, we will target the following SDGs as critical steps toward business growth and strengthening of our capabilities.

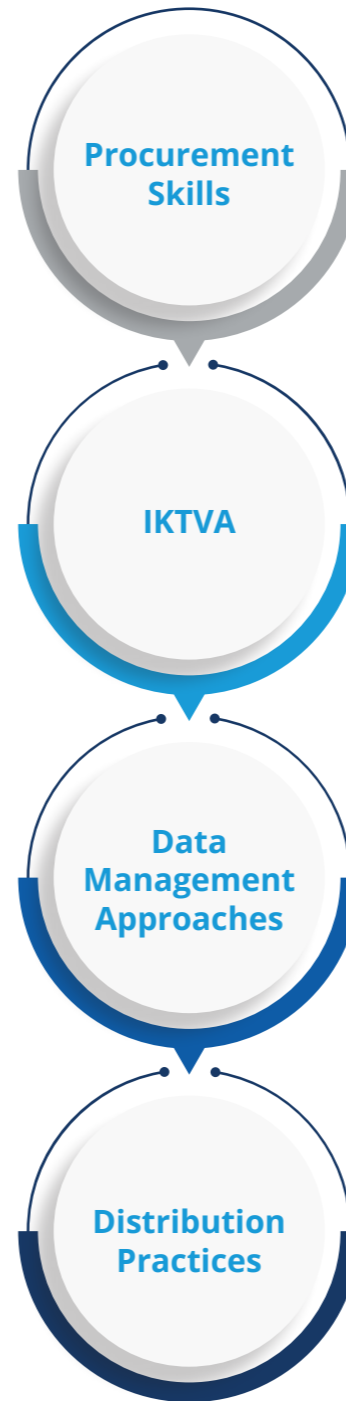


Supply Chain Strategy

We realize that our business sector constitutes a critical and prolific part of the local economy. Therefore, our leadership decided to play a key role in creating an essential value in the organizational supply chain management by assuring continual improvement for our guidelines, policies, and frame of work to accomplish the highest standard of environmental, health, and society criteria while evaluating our Suppliers. We always encourage building long term relationships with partners who have solid sustainability plans that ensure the lowest risk of impact on social, human, and safety rights.



As shown in the above figure, we follow a systematic approach prior to investigating, assessing, and qualifying our Suppliers. We aim to set our **Guidelines** and key elements in the supply chain management so that ADC is able to integrate its Suppliers in a business growth journey and that enable us to create a successful shared value.



Through **Procurement Skills**, considering the way we do procurement in terms of process and procedures constitutes an essential element in the success of our supply chain management. We adopt our suppliers' prequalification criteria, we perform compliance audits where assurance of respecting HSE, quality control, manufacturing and maintenance procedure is in place, and last but not least, we seek great price negotiation with our suppliers while staying in line with our procurement policy.

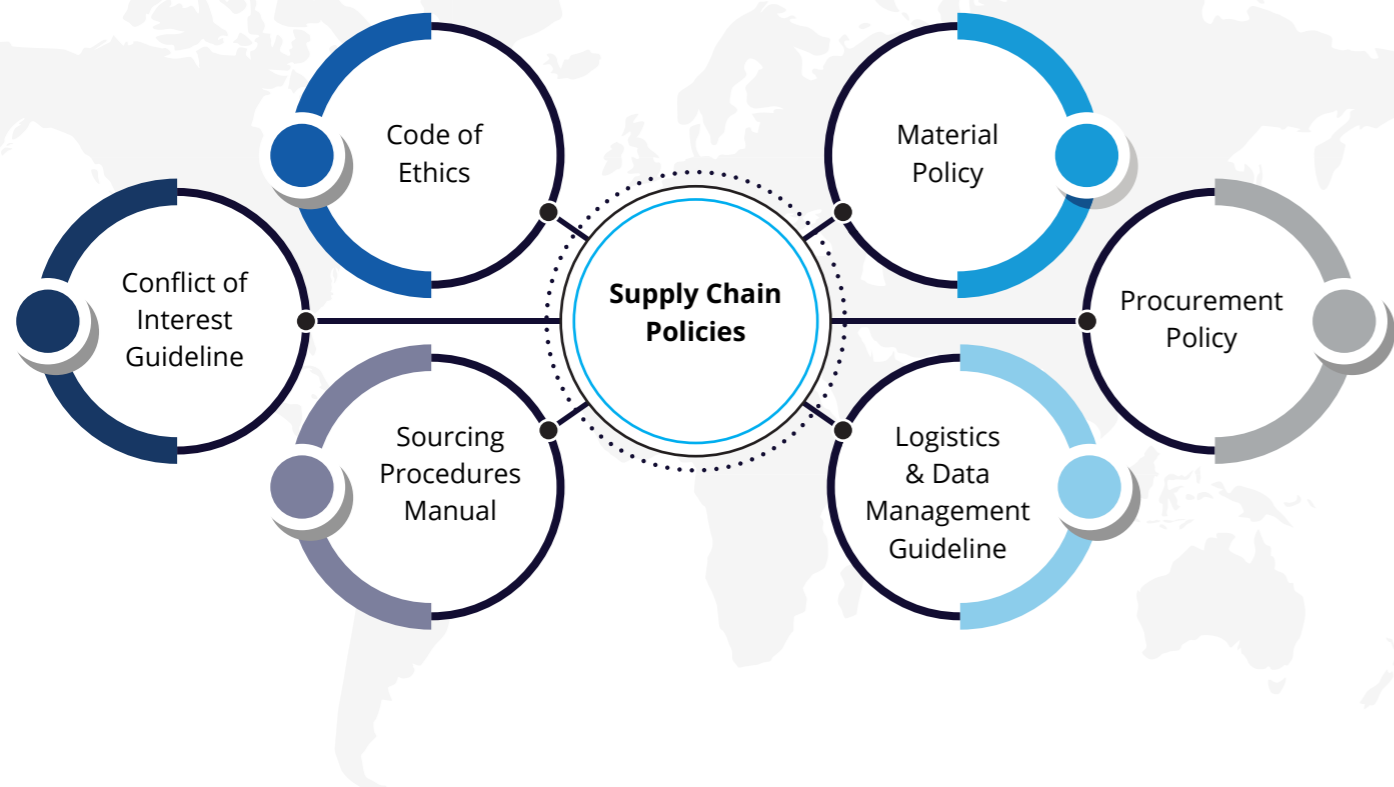
Through **IKTVA**, we are developing IKTVA KPIs on a yearly basis, setting targets and measuring the performance of all our departments.

Through **Data Management Approaches**, ADC follows the critical standards in reporting, data analysis, catalog management, dashboard creation and tracking, to end up achieving Supply Chain Department KPIs.

Through **Distribution Practices**, considering the minimal level of inventory management requirements, planning and warehousing management, the storage criteria, and standards, to end up with successful logistics, import and export processes.

At ADC, transparency and ethics are at the core of how we think, act, and take decisions. We are firm on conducting transparent supply chain management according to the approved policies and procedures that protect our rights and our Suppliers' rights. Our policies give us the key tools for ensuring that we are performing in an ethical and sustainable manner with a great understanding and agreement with our suppliers on the essential safety, ethical and environmental standards.

Our policies and procedures for procurement are being discussed with our suppliers in order to enhance the collaboration we are building and the trustable relationships we tend to have with any partner for ADC. Nevertheless, we periodically update our supply chain policies and procedures which help us to stay aligned with worldwide best practices for conducting the supply chain processes and ADC Sourcing Procedures Manual keep shedding light on the Saudi Vision 2030 approach for performing a transparent business.



Procurement Policy

Conducting business with excellence is part of ADC DNA which cannot be compromised under any circumstances. We elevate our supply chain system to another level of qualitative improvement that sets us apart. Our supply chain team is constantly updating ADC Procurement Policy, considering the crucial elements in line with Saudi Vision 2030, as well as the best practices adopted by the leading worldwide firms and international standards. An extensive goal of our Procurement Policy is to help ensure that our suppliers abide by our performance standards and ethics.



We believe that the achievement of the goals is greatly impacted by the selection of the people to do the right job following the right policies. We are therefore developing a dedicated Suppliers Contracts Management department. Moreover, because inventory control constitutes one of the biggest challenges in terms of monitoring a Company's inventory, we are closely working towards effective utilization of our inventories, and we achieved an improvement of 15% last year with an accuracy of more than 90%.

Supplier Onboarding & Assessment

We pride ourselves on conducting business in a socially responsible and ethical manner. To accomplish this, we firmly believe a crucial factor is to build a sustainable and resilient supply chain. The role of suppliers in this equation became even more apparent during the pandemic.

We plan, do, check, and act. Accordingly, we have developed exhaustive Suppliers Selection and Assessment criteria that bring added-value elements to help us to select our Suppliers wisely, focusing on our local sources for supporting local business vision, improving Saudi profitability, and building internal shared business in the KSA. 100% of our new suppliers are assessed according to Suppliers' selection and assessment criteria.

In addition to the Supplier onboarding assessment, we also conduct periodic audits to ensure that all our Suppliers are complying with our policy & procedures, aligned with our sustainable goals, and capable to provide services at the best of quality standards.

Transparent business growth is a key element in our business operation scheme. Several initiatives were adopted over the past few years to promote it and ensure its consistency over all the business process. In Supplier boarding, we periodically conduct suppliers' evaluations based on essential parameters such as:

- » ISO Certifications wherever applicable
- » Compliance with KSA rules and regulations including IKTVA Percentages, Zakat, GOSI, VAT, Commercial Registration, and Chamber of Commerce Membership
- » Training for locals



Additionally, we have kept our practice of conducting Compliance Audits for our top 30 Suppliers where their selection is based on the procurement spend value, and we are assured that all our Suppliers comply with our policies, procedures, and standards. Such audits are conducted by selective team members from QHSE, Operations, and Supply Chain Departments, and their responsibilities in these audits cover also conducting suppliers' visits, filling out surveys, and analyzing checklists to end up with a transparent audit.



We mandated compliance with our Environmental Management Plan (EMP), and we employ a systematic evaluation process to assess Suppliers' environmental performance so that it meets national and international requirements. It is done through:

- » Prequalification for all new subcontractors, including an environmental assessment;
- » Annual audits for existing, high-risk subcontractors to ensure compliance with ADC requirements.

Suppliers' environmental compliances shall also cover the certifications from local governing bodies such as Baladyat, Ministry of Health, Saudi Aramco, Environmental organizations, and Khafji Joint Operations (KJO) Requirements.

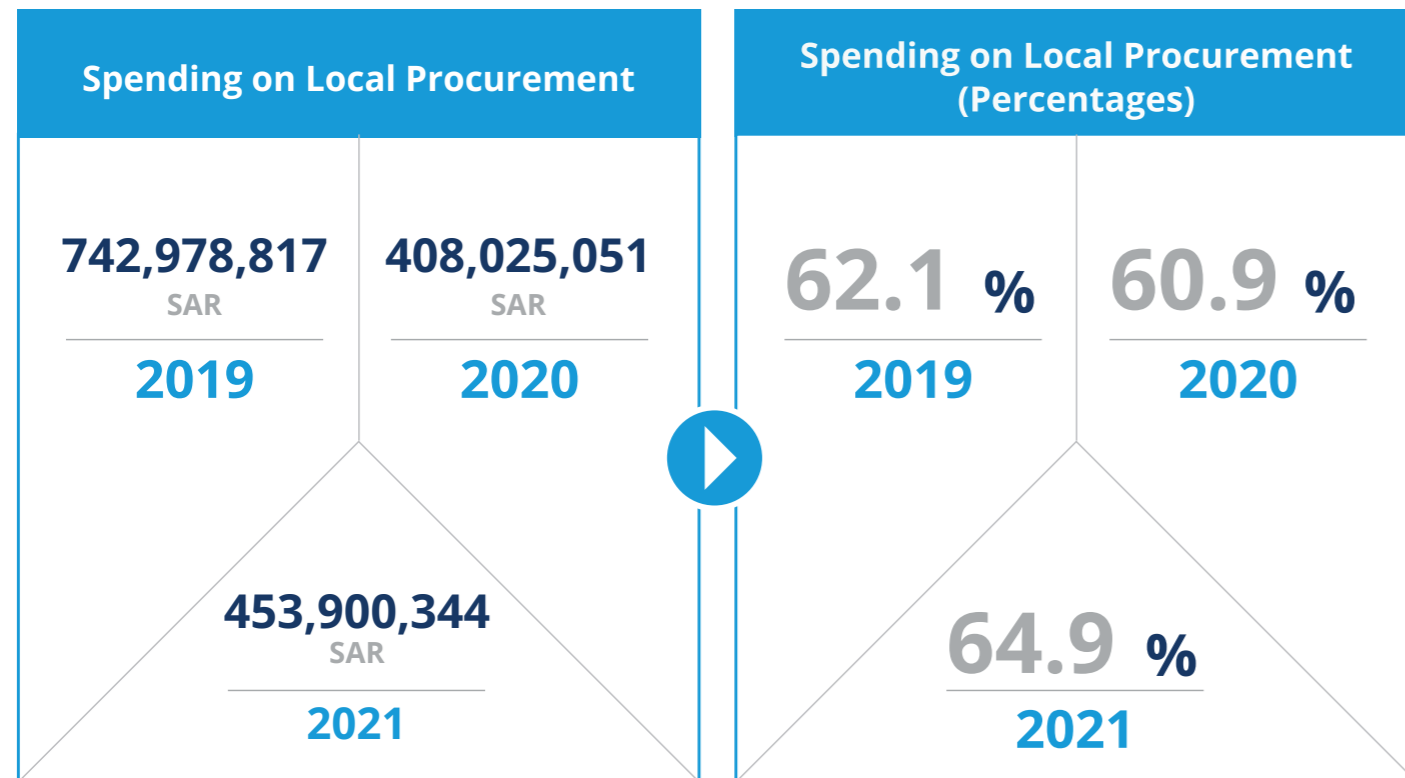
At ADC, we prioritize local suppliers in all possible scenarios. We also support our Suppliers to comply with Saudization requirements. In case of non-compliance, we request them to present an implementation plan and target for achievement for the next two to three years. Thus, we can rest assured that any registration for our approved supplier's list will be in line with providing the best quality within the optimal time and cost.

Suppliers' selection directly affects our deliverables in terms of quality, cost, and adherence to legal, social, and safety regulations. Our ADC team including IKTVA Leader, sourcing team, and supply chain team, held continuous meetings and discussions to improve our suppliers' selection methods and update our approved Supplier list.

In-country Procurement

We bring value to our community, we build trust with our local suppliers

ADC has taken ownership to provide full support to the Saudi government to help KSA achieves Saudi Vision 2030. The drilling sector was endorsed to increase dependence on local suppliers, to participate in creating job opportunities, and to support our domestic economy, ADC has spent great value on local procurement for the past two years as shown hereafter. We recognize the value of engaging our local suppliers to bring innovation and to ensure an impactful and sustainable program.



Additionally, we have also extended our work to ensure the satisfaction of our suppliers and participants in the ADC success story, by conducting suppliers' satisfaction studies after filling out suppliers' satisfaction surveys periodically. The concrete relationship we are building with our suppliers results in the business continuity of ADC and in the creation of a profitable shared value.



Achievements in the year 2021

We have implemented online banking payment for ADC's Suppliers. This was an important transformation for ADC which helps us in enhancing our reputation within Suppliers' community. The satisfaction of our suppliers in terms of payment was highly noticed. This also enables ADC to improve their payment terms and methodology.

% Of legitimate claims have been highlighted during 2021.

Anti-Corruption and Bribery

ADC has zero-tolerance for corruption in line with the 16th Goal of the Sustainability Development Goals, the anti-corruption and bribery and code of conduct (CoC) guidelines have been implemented with an objective to comply with all applicable national and international anti-corruption laws and regulations. We are keeping the tentative enhancement of our policies and procedures, conducting awareness sessions for adherence to a high ethical standard and behavior. We provide regular training to all our employees and supplier on anti-bribery and anti-competitive as per the ADC's CoC Guidelines. We work to ensure that ADC's anti-corruption and anti-bribery standards are understood by both employees and suppliers alike.



Achievements in the year 2021

- Intensive training for supply chain team with world-class trainers: 428-man training days including a 404-man day for Saudis (95%).
- Exceeded the "Goods and Services" IKTVA Objective score with 39% result.
- Increased in local spend including qualifying local suppliers for previously overseas dominated market.
- Focused on diversification of suppliers.
- Significant reduction in inventory and logistics costs.
- Launched the first phase of SAP Ariba, the project that will enable introducing automation and artificial intelligence to our tender analysis, proposal analysis, review, and contract awards.

Road Ahead for the year 2022

- The transition in the supply chain management at ADC will be highly focused on improving on policies and procedures and having the right tools and well-trained people for using our innovative technologies for a sustainable supply chain approach.
- We will work on the second phase of Inventory digitalization, where we will implement digitalized process for inventory and bill of materials.
- ADC Supply Chain Department will continuously strengthen connections by rolling out the Supplier's satisfaction survey.



Environment

Climate change is poised to create a wide array of economic and social risks in the coming years, with a significant financial impact on businesses. Protecting and reducing the environmental impact of our operations is a top responsibility at ADC. By collaborating with various stakeholders, we are able to raise awareness, drive change and achieve positive environmental impact.

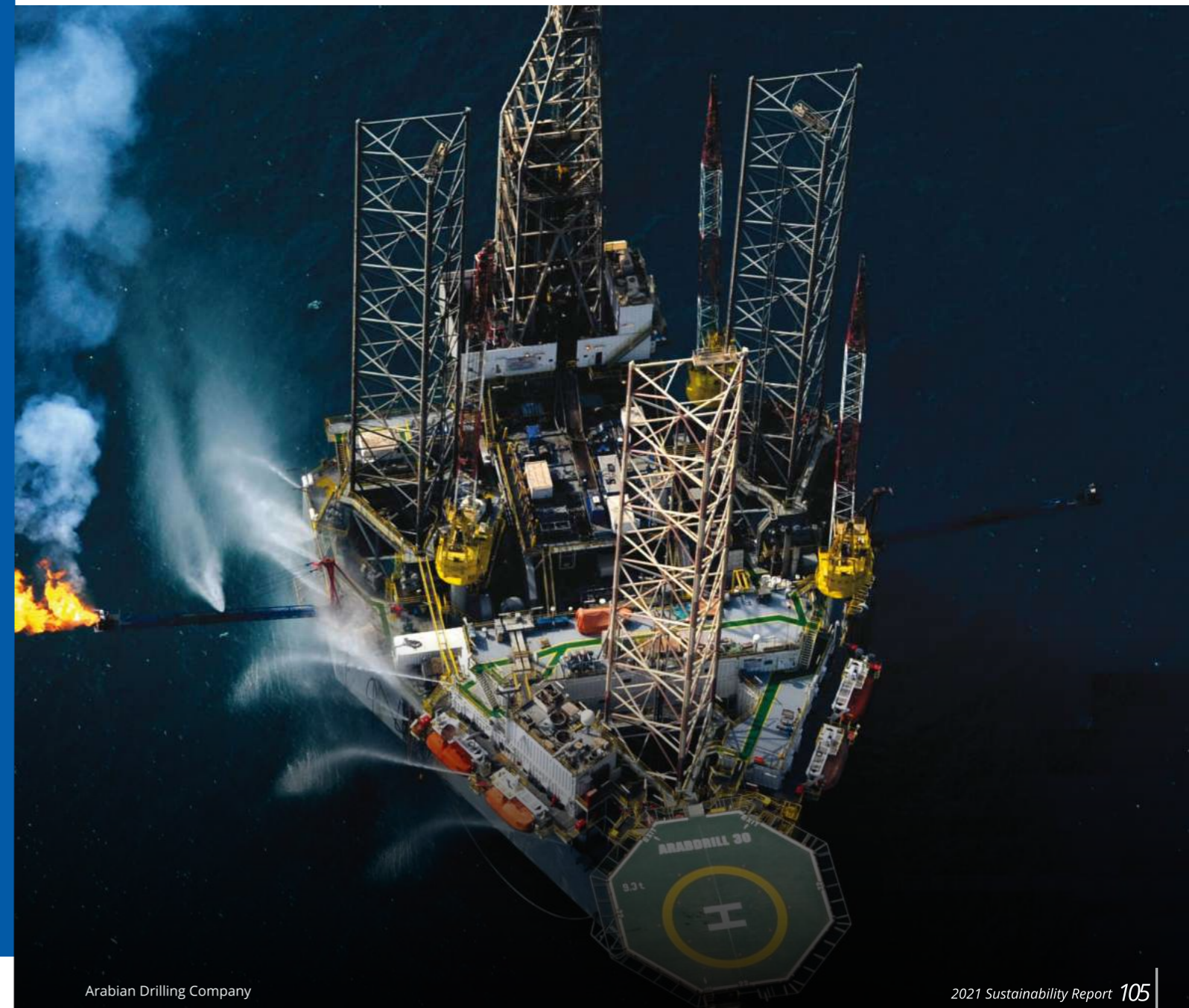
With Saudi's Vision 2030 to achieve environmental sustainability by increasing the efficiency of waste management, establishing comprehensive recycling projects, reducing all types of pollution, and fighting desertification, ADC is also committed to the protection and enhancement of the environment by:

- » Addressing global challenges, such as climate change, water, energy, and waste, with innovative solutions.
- » Minimizing discharges, waste, and emissions by enhancing energy performance and optimizing the use of natural resources.
- » Ensuring that energy performance improvements are considered throughout the intended lifecycle of our assets.

Environmental Policy

ADC is dedicated to environmental protection, and to that end, we have formed this Environmental Policy. Compliance, risk mitigation, and accountability for acceptable environmental practices are all emphasized in our well-defined environmental policy, which applies to all of our workers, suppliers, and contractors.

To ensure a coordinated approach, we reference our Environmental Management System (EMS). EMS sets requirements and processes to reduce the potential impact on the environment. Our Environmental Management System is also supplemented by Environmental Aspects and its Impacts assessments.



Environmental Compliance

At ADC, offering environmentally responsible drilling services and decreasing our operations' environmental imprint are important priorities. Compliance with environmental laws and regulations, international standards, and voluntary pledges is ensured by our devoted team.

To achieve our environmental protection objectives, key performance metrics are defined which are encompassed in our annual incentive plan.

EMS assists us in measuring, monitoring, and managing our company's environmental impact while also assisting us in improving our performance in the impacted area. Our established EMS has been examined and authorized by Saudi Aramco, and ERM Certification and Verification Services Limited have certified that it complies with the ISO 14000:2015 Environmental Standard.



Resource Optimization



Waste Segregation



Spill Prevention and Mitigation

ADC also complies with Schlumberger Environmental Management Standard SLB QHSE 008 and the Environmental Basis of Organization Knowledge (Environmental B.O.O.K.).

Sustainable Infrastructure

Our Automated Building Management System helps us in developing environment-friendly and sustainable infrastructure. We have further invested in renewable energy, upgrading equipment, and developing the best solutions to reduce environmental impact.



Our environmental compliance metrics reflect our consistent compliance with environmental laws or regulations.



Arabian Drilling Company

Energy & Emissions

One of the most pressing challenges is collectively limiting increases in global temperatures. Society, as a whole, must focus on GHG emissions. Reducing energy usage and Green House Gas (GHG) emissions within our operations is also a key aspect of our environmental stewardship. As a result, we effectively mitigate this environmental impact by increasing the efficiency of our operations and reducing our reliance on a finite supply of fossil fuels. While monitoring our performance, we strive to enhance our energy efficiency.

To achieve minimal fuel usage, ADC's fuel optimization team assesses the optimal load and speed of our rigs. In 2021, considerable gains in energy efficiency were made, which also had a significant influence on the reduction of GHG emissions. Compared to 2019, the energy intensity of our operations decreased by 29%.

At ADC, we have devoted a significant amount of time and effort to lowering greenhouse gas emissions (GHG). Our direct Scope 1 emissions come from engines used for power generation and a small volume from refrigeration systems, and our Scope 2 emissions are indirect from electricity usage.



Net Zero Carbon Route-map

Sustainability is fundamentally integrated into our business model, and we are taking big steps every day to follow this path.

To help Saudi Arabia achieve its net-zero target by 2060, we are committed to reducing energy consumption and carbon dioxide emissions. In this line, for two of our rigs, a pilot project has been launched to remotely monitor GHG emissions using engine efficiency monitoring devices.

Arabian Drilling Company

Case Study- Journey towards low GHG emissions

Objectives

Focus our efforts to reduce fuel consumption and emissions caused due to fleet movement. ADC is continuously working towards finding new, innovative, and commercially viable solutions to reduce fuel use, which will thereby reduce the carbon footprint in our supply chain. As part of our initiative, we have established a logistic cell within the Journey Management Center in 2019, to optimize our fleet management by inhibiting 35% of the fleet movements and employing various effective methods to make the best use of the remaining fleet.

ADCs' Approach

Scope

We have focused on all fleet movements. Including:

- Employee transits to the onshore rig.
- Base vehicles utilized for staff.
- Vehicles employed for rig movement.

Benefits Achieved

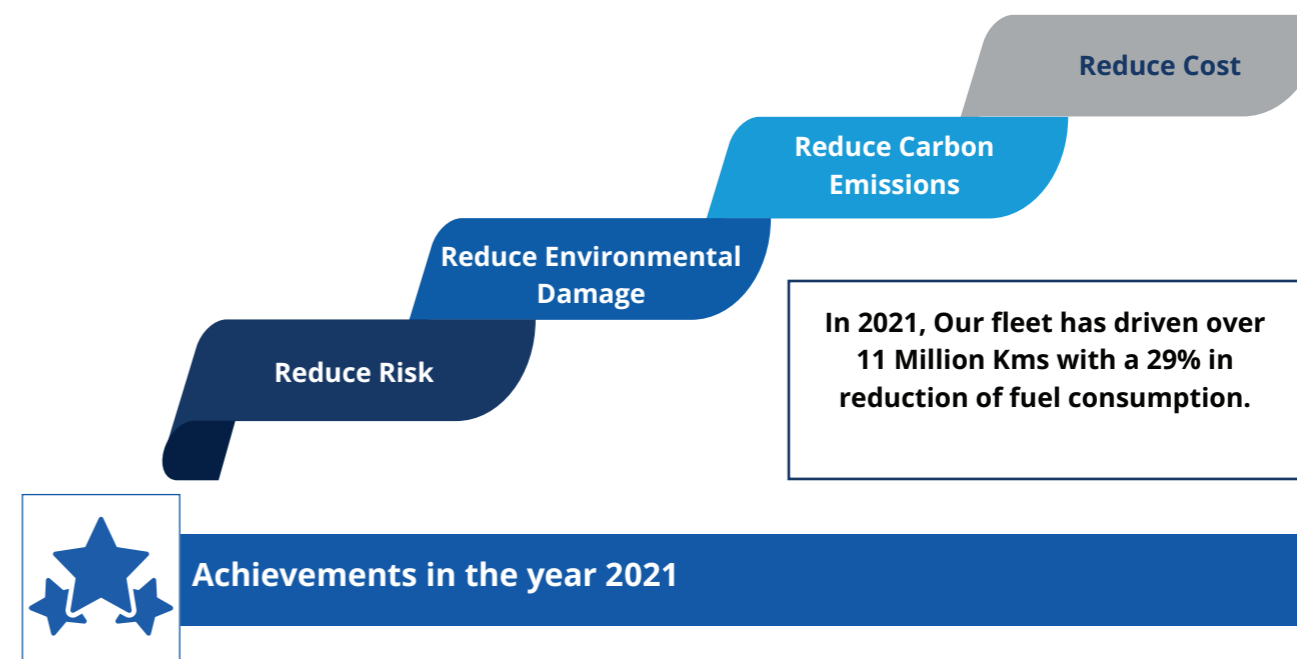
- Proper control and fewer violations.
- Digitizes Journey Planning.
- Improves Fleet Utilization.
- Improves Resource Allocation.
- Reduced Lost Time Incidents.
- Improves Time Attendance & Job Completion

As the first stage, there will be a reduction in the emissions and overall operational cost. The below table highlights the same.

Energy	2016	2017	2018	2019	2020	2021
Fuel (kl of diesel)	80,315	79,239	98,825	121,664	107,663	86,241
Fuel Intensity by Total Facilities + Rigs (kl per unit)	2,510	2,264	2,017	2765	2,991	2,103



Monitoring, Controlling & Reducing our energy consumption enable ADC to:



Achievements in the year 2021

- ADC conducted a metallic, plastic & canes segregation campaign at their onshore & offshore sites.
- Started Clean the Desert program.
- As a proactive measure, ADC installed a mud pump spill containment system at their rigs to avoid soil contamination, ensuring zero mud spill.
- Achieved Operational Excellence by upgrading the cement tank ditches from 9 5/8" to 13 3/8" in order to eliminate ditch line blockage and overflow.

Road Ahead for the year 2022

- ADC has conducted an energy & emission consumption baseline study in 2021, and the results will be exhibited in 2022.
- We are aiming to obtain our Environmental Management System ISO 14001 certified.
- We are in a process of evaluating a new sustainable energy solution for operations and internal consumption. In this direction, we are initiating a pilot project to change rig tower lights as wind/ solar energized light.
- We are also evaluating other approaches to reduce the dependency on fuel.

Water

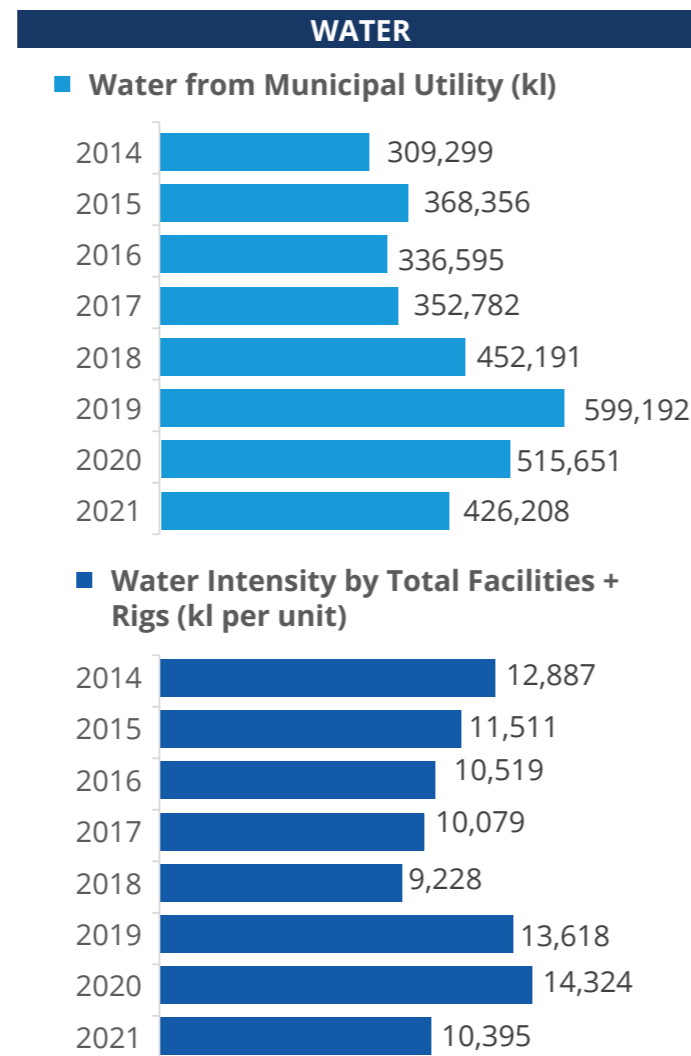
We recognize that it is essential for us to take ownership of our impact and reduce our environmental footprint.

Water resources remain under significant pressure due to population growth, industrial operations, and climate change. Water is a critical resource not only for the ecosystems but also for our operations. ADC is headquartered in one of the driest regions of the world and we understand the importance of water. We strive to use water wisely, thus we employ water management measures that assist us to lower our usage in all conceivable places.

Our conservation initiatives have led to significant water efficiencies and water savings in 2021

Water Management Objectives:

1. Minimize water use through water-saving low flow technologies, routine inspections for water leaks and employee awareness campaigns.
2. Reduce potable water consumption by documenting daily consumption, analyzing data on a regular basis, and enlisting the help of staff.
3. Clean and sanitize all portable water tanks on yearly basis.
4. Conduct a daily water test by the MOH medics and monthly by third party laboratory.



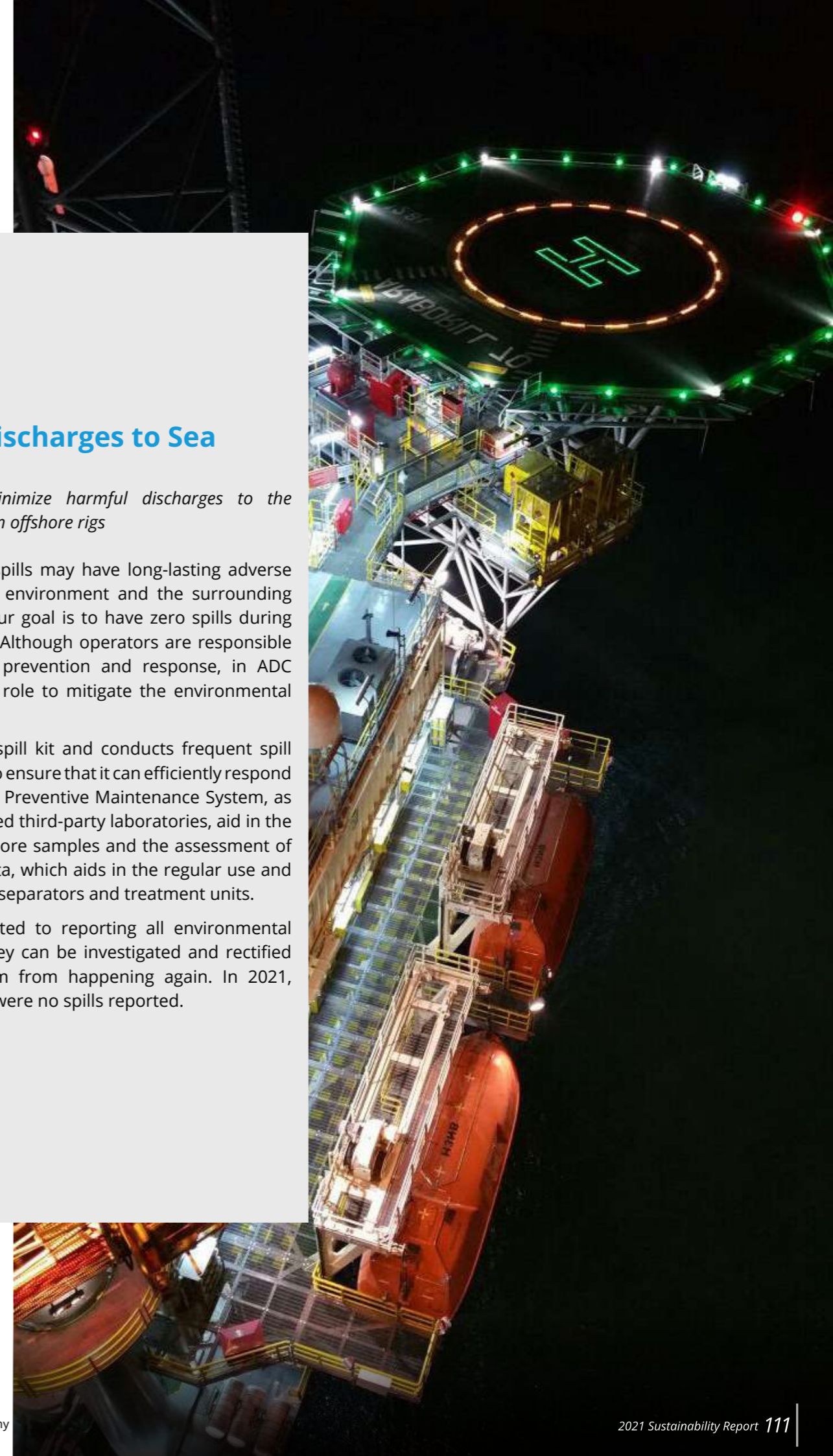
Spills & Discharges to Sea

We seek to minimize harmful discharges to the environment from offshore rigs

Environmental spills may have long-lasting adverse effects on both environment and the surrounding communities. Our goal is to have zero spills during our operations. Although operators are responsible for the overall prevention and response, in ADC everyone has a role to mitigate the environmental impact.

Each rig has a spill kit and conducts frequent spill response drills to ensure that it can efficiently respond to any leak. Our Preventive Maintenance System, as well as recognized third-party laboratories, aid in the analysis of offshore samples and the assessment of the resulting data, which aids in the regular use and maintenance of separators and treatment units.

We are committed to reporting all environmental spills so that they can be investigated and rectified to prevent them from happening again. In 2021, however, there were no spills reported.



Waste

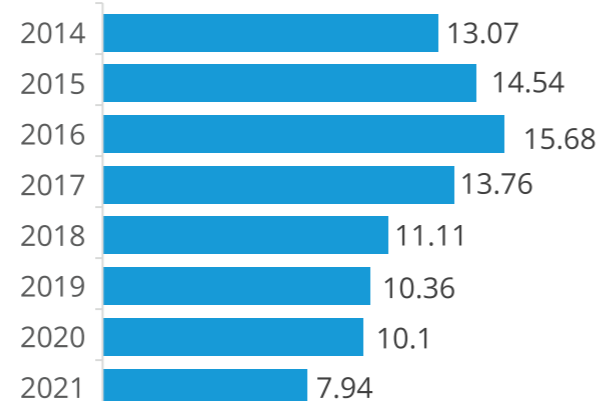
ADC recognizes that improper waste management is one of the root causes of ecological degradation. Thus, in its pledge to carry out its business responsibly, the ADC has also taken the responsibility to manage its waste well and developed a 'Waste Management Program'. This includes identification of the waste generated by reducing waste by optimizing maintenance and facility processes, improving the materials segregation process, and enforcing conservation through recycling and re-use of materials. ADC Waste Management Program benchmarked with national regulations, international standards, and Saudi Aramco's Environmental Standards.

All ADC rigs have waste segregation facilities to ensure that the appropriate waste disposal is done for hazardous and non-hazardous waste and to enable waste recycling where possible. Segregated solid waste is collected in dedicated containers according to the types of waste. Color Code along with the labeling (in English and Arabic) ensures effective waste segregation. The waste volumes are tracked by type and backloaded to shore for disposal at licensed waste facilities.

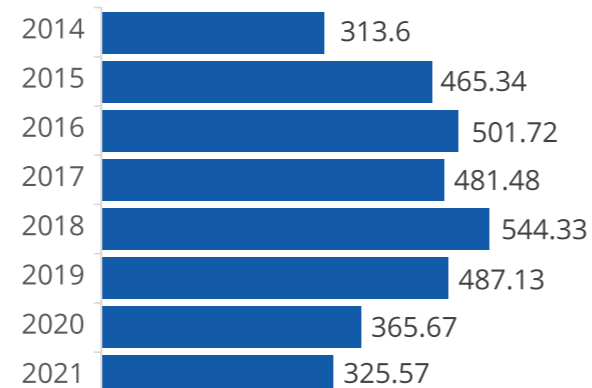


WASTE

■ Liquid Hazardous Waste Intensity by Total Facilities + Rigs (kl per unit)



■ Liquid Hazardous Waste (kl)



Liquid hazardous waste generation decreased by 33% in 2021 with respect to 2019, despite a significant surge in operational activities.

- 100% of waste oil recycled for the past 10 years
- Zero hazardous waste spills in the past 10 years
- Solid non-hazardous waste generation is decreased 10% with respect to 2019
- Organic solid waste disposal/food waste disposal is decreased by 10% with respect to 2019





People & Society

We develop our people and remain action-oriented to achieve our sustainability vision.

ADC is committed to contributing to the economic success of the areas in which we operate, and we continue to hire and train local workers. Our people's distinct abilities, knowledge, and perspectives set us apart from our competitors and help us to fulfill our corporate objectives. Our training and competency development programs equip our personnel to work efficiently and develop their professional skills.

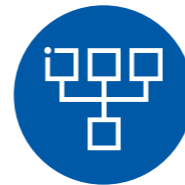
Through our programs, we strive to provide inclusive high-quality training and education, life-long learning opportunities, advance job prospects for all, encourage gender equality, foster an open culture in health and safety, and improve the working environment.

We Create Value



Nationalization

Achieved **77%** of Saud national employees



Localization

Achieved **62%** in 2020 of In-Kingdom Total Value Add (IKTVA) Program



Capacity Building

28,186 Training Hours

Saudi Content

ADC endures the strategy of prioritizing hiring and developing Saudi Nationals at various technical and support staff positions. Developing and hiring Saudi nationals provides a positive impact on local communities by contributing to their economic growth.

Our strategy, in accordance with our anticipated growth, is to continue to build our Saudi national workforce in order to support and achieve our Saudization and Vision 2030 objectives. Supporting the local national human capital capabilities in our organization is our strategic priority and social responsibility. Our focus on building high national content has resulted in 77% of the Saudi workforce as of December 2021.

77%
Saudi Nationals

23%
Expat

89%
Rig Staff

11%
Office

We work relentlessly to attract, nurture and retain Saudi talent.

Recruitment

- Robust selection and induction process
- Employee referral program and strong network of employees

Nurturing

- Comprehensive training and development program in place

Withholding

- Competitive compensation and benefits package
- Employee engagement exercise

- Long-term sustainability
- Lower employee turnover
- Strong customer relationships
- Competitive operating costs



Diversity & Equal Opportunity

Transforming culture in a traditionally male-dominated industry is an endeavor requiring dedication, commitment, and often, creativity. However, ADC is working actively to increase the number of women in all positions. We firmly believe that inclusion increases company performance that enables us to meet challenges and generates sustainable value by supporting Saudi Vision 2030.

To thrive in our goal and deliver on a commitment to our clients, we need to be able to attract and retain diverse people locally and abroad. We valued our employees for their contributions and accepted them for who they are, ensuring a fulfilling career in an environment free of discrimination based on gender, nationality, religion, socioeconomic status, or disability.

ADC is proud of its exceptional retention rates, which are the result of sturdy training and development activities, as well as appealing rotation schemes. Additionally, ADC collaborates with TAQA, which seeks to improve the Kingdom's labor force.



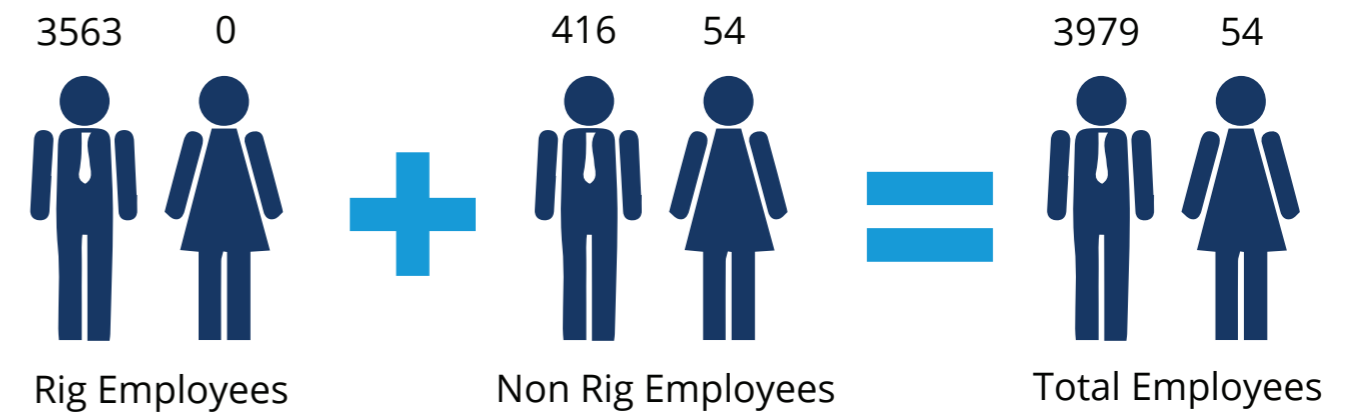
We are committed to continuously building an organization that encourages diversity, champions equality, embodies respect, and fosters inclusion.



ADC emphasizes its commitment to ensuring a diverse workforce and management and maintaining an inclusive work environment that builds on our core values. All our female employees receive in-house and on-job trainings, we also encourage them to visit sites for understanding our operations. Additionally, our new joiner female staff gets an opportunity to work with multiple departments to learn business know-how effectively. We have a fair employee evaluation policy for promotion, and we evaluate all of our employees equally, regardless of gender.

Our workspaces are created with women's needs in mind and in accordance with labor law standards, and we receive regular input on their experiences.

Total Employees by Gender and Category



Employee Satisfaction

The foundation of any sustainable business is built on a competent and satisfied workforce. Employees are the driving force behind our contributions to sustainable development. ADC is committed to stand out as a leading employer in the sector corresponding to the needs of ADC diverse workforce, ensuring their safety and well-being, developing their capabilities, and contributing to their professional and personal growth. We also aim to create shared value through community engagement.

A high-quality, talented, and motivated workforce is a key enabler for achieving ADC's vision and growth objectives. In order to continuously improve its strategies, we embarked on the journey of training and skill development. We augment the requirement to keep our staff up to date in order to meet our corporate and operational objectives. We establish an adaptive learning ecosystem that allowed our employees to benefit from our talent development, training, & technical development programs, in alignment with Saudi Vision 2030.

We strive to continuously improve our people's experience by providing services like employee data management systems, technical assessments, IDPs for the field staff, career development programs for office employees (Fares).

Providing a favorable environment for our workforce to realize their full potential and grow in their career paths is of paramount importance to us. In line with the Saudi Vision, our affirmative actions and commitment adhered to maintaining 77% Saudi Nationals in our workforce during 2021.



TAYSEER APPLICATION:

We have introduced the "Tayseer" application- an employee's self-service portal which includes: Salary Slip; Employment Verification letters; GRO/Visa Services; Aramco ID & Sticker; Salary in Advance; Medical Insurance; and General Inquiries.

The application is available in both Arabic and English languages and features several features, which helps our staff to find information, request services, and resolve their issues promptly without referring to other functional departments.

Benefits:

ADC offers a package of benefits and incentives to its employees as per industry standards and local requirements. All employees are remunerated solely based on applicable regulations and performance to benefit our existing and potential future employees. We provide benefits to our employees such as insurance, retirement provision, rewards, awards, and other allowances.

Life Insurance	Attendance Awards For Rig Staff
Healthcare Programs And Coverage	Offshore Staff Bonuses
Disability And Invalidity Coverage	Remote Area Staff Bonuses
Parental Leave	Seniority Awards
Retirement Provision	Allowances: Tuition, Travel, Mobile, Food, Car And On-Call
Objectives Bonuses For Leaders And Above	Bonuses For eligible employees





Training & Capacity Building

Training is essential in the drilling industry to stay updated on processes, certifications, and best practices.

We invest in our employees' professional growth by providing a variety of learning and development opportunities. Employee training need is derived from our annual training and skill development plan. Our plan is designed to cater to individuals' training needs as identified in their performance evaluations. Since 2020, due to the pandemic social distancing and group gatherings were imprudent. With a bit of ingenuity and a lot of collaboration, our leadership teams successfully launched virtual trainings sessions. During 2021, a total of 606 courses were carried out across ADC.



Leadership and Development

Our talent management process is designed to prepare potential leaders with the right skills and knowledge. Talent and succession planning processes are also in place to continuously monitor the development of talented people towards all key positions through our newly launched "Irtiqa" platform.

Succession planning helps build future leaders to ensure the long-term health, growth, and stability of our company. An astute process increases the availability of experienced and competent employees who are prepared for critical leadership positions. To develop transformational leadership skills, we materialize our "Promote from within" philosophy by continuing our

technical/field succession planning and management succession planning. Nevertheless, 90 technical/field & 11 management positions have been identified, and through the program so far 7 leaders are developed in 2021.

Our employees are engaged through the performance review process to clarify expectations, understand aspirations, align goals, and acknowledge the contribution. ADC uses the Individual Development Plan (IDP) to appraise and help employees improve their performance through consistent feedback. Moreover, our talent department conducts workshop with rig department heads and senior crews to gather feedback on IDP.



In 2021, ADC Compensation & Benefits' department conducted performance appraisal awareness workshop to enhance communication among employees and senior management.

In 2021, ADC conducted Leadership Workshop with an agenda to connect with all talents, skills, and efficiency to a direction that helps us as an organizational accomplishment of our target.

Our training covers a range of capabilities, from operational excellence and job-oriented issues to leadership, soft skill development. Our systematic training and development programs provide our future leaders with the opportunity to learn about decision-making models, business trends, and strategy, strengthen interpersonal skills, build a strong international network that promotes knowledge and best practice sharing, and experience working in virtual and multicultural teams.

Our training and development programs are specifically developed to support the ADC projects, which are also an integral part of our strategy to create a solid talent pipeline ensuring ADC's operational and managerial needs for years to come.

In 2021, ADC launched "Irtiqa" platform. "Irtiqa" is a one-stop digital platform for all the training, learning, and career planning needs. The new platform offers the following features which an employee can access:

- Career ladder options
- Competency requirements for current and target role(s)
- Enhanced learning experience by accessing a plethora of blended learning offerings
- Direct training booking & follow progress options
- Career aspiration options

In 2021:

- We provided 28,186 formal training man-days for employees.
- DTC delivered more than 388 (technical & non-technical) training programs.

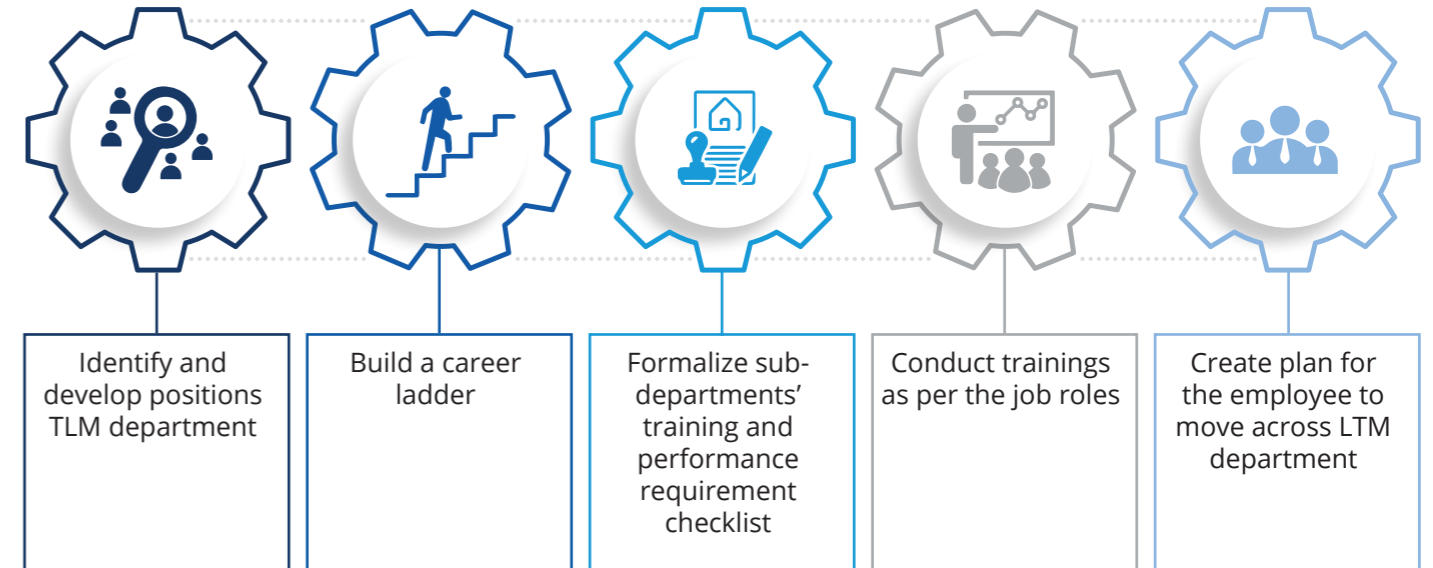


FARES Career Development Program

FARES is a career development program for ADC graduate-level support functional workers that was introduced in January 2021 to assess their abilities and competencies as well as broaden their knowledge to familiarize them with other ADC support functions.

FARES is a structured employee development program to adhere to the company's staffing needs, designing support function titles, outlining the employee career training requirements, and offering a precise career growth path.

Dhahran Training Center (DTC) is the first training center in the KSA accredited since 1993 by the International Well Control Forum (IWCF) and the International Association of Drilling Contractors (IADC) certification programs.



	2018		2019		2020		2021	
Average Hours of Training	Male	Female	Male	Female	Male	Female	Male	Female
Total	221	22	81	35	39	35	48	22
Saudi	171	22	45	35	19	35	18	22
Non-Saudi	50	0	36	0	20	0	30	0

Percentage of Employees Who Received Regular Performance and Career Development Review	Male	Female	Male	Female	Male	Female	Male	Female
Total	93%	100%	98%	100%	98%	100%		
Saudi	96%	100%	76%	100%	99%	100%		
Non-Saudi	85%	0%	24%	0%	95%	0%		

Evaluation for 2021 performance is still in progress and the information is not yet available.

We focus on company-wide development needs, develop key competencies and create an environment that promotes encouragement, collaboration, and sharing of best practices.



ADC Dhahran Training Center (DTC) is certified:

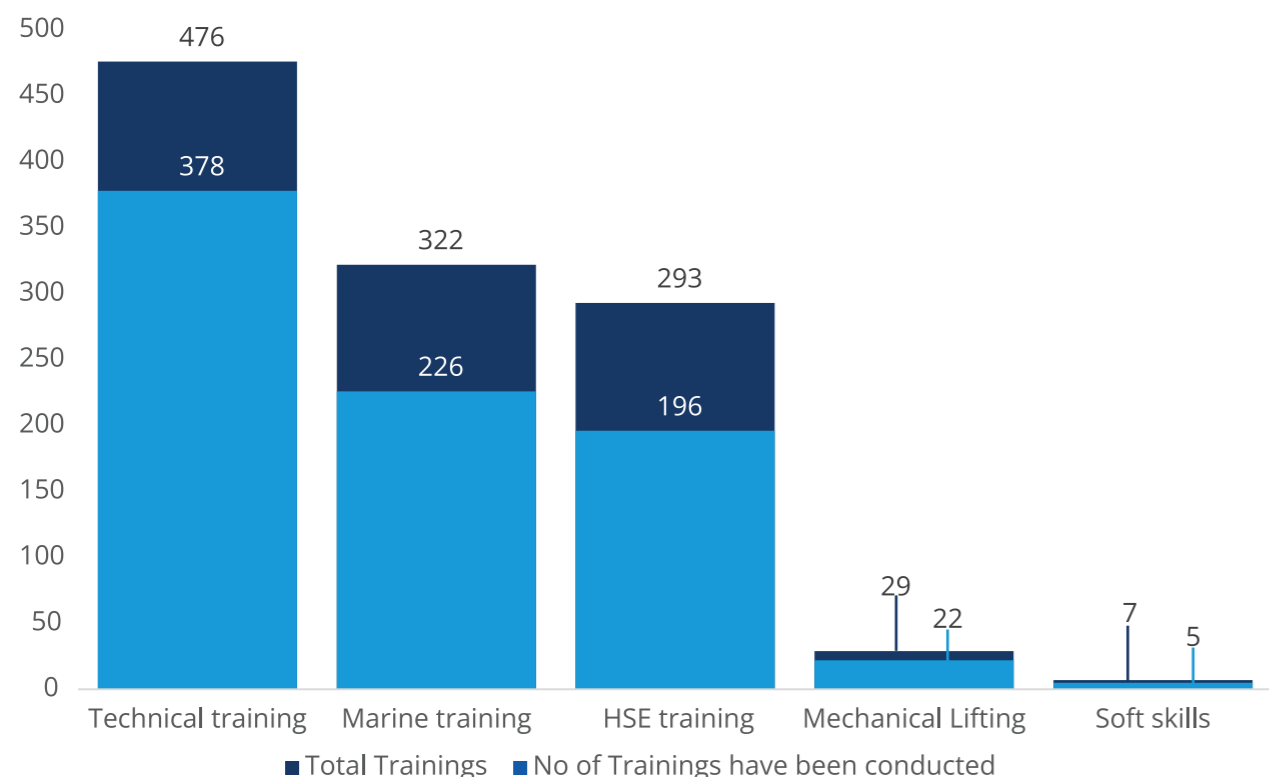
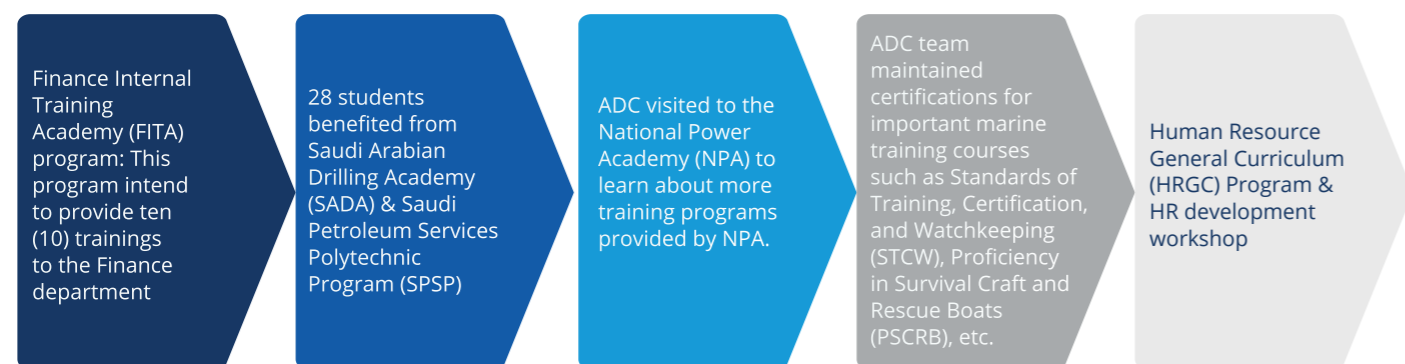
ISO 9001:2015 (Quality Management System) as the 1st support department in ADC.

ISO 29993:2017 (Learning Services outside formal education) as the 1st compliant Training Center in Saudi.

Training Department Initiatives

It is the core principle of ADC to invest in the education and development of local talent. We believe that it is our responsibility to develop young talents from all regions of the Kingdom of Saudi Arabia, and that is visible in our agreement with Saudi Petroleum Services Polytechnic (SPSP).

Additionally, ADC played a major role in the establishment of the Saudi Aramco sponsored "Saudi Arabia Drilling Academy" which was launched during September 2016.



Workshops		
#	Name of the Workshop	Description
1.	Employee Engagement workshop	In 2021, ADC held an employee engagement workshop to improve internal collaboration and maximize chances of business success, contributing to organizational and individual performance, productivity, and well-being
2.	FARES introduction	The ADC HR department conducted an introductory training for concerned office personnel and senior management to discuss the FARES initiative.
3.	Rig Supervisors Workshop	Rig Supervisors Workshop was directed to brainstorm on ways to improve the communication gap between Head Office and Rig Team to build a systematic communication channel.

Empowering Young Saudi Nationals

ADC launched a concerted effort to hire local people to remain a leading drilling service provider and first choice of young Saudi talent. At ADC, we support the training and development of young Saudis by enrolling trainees in:

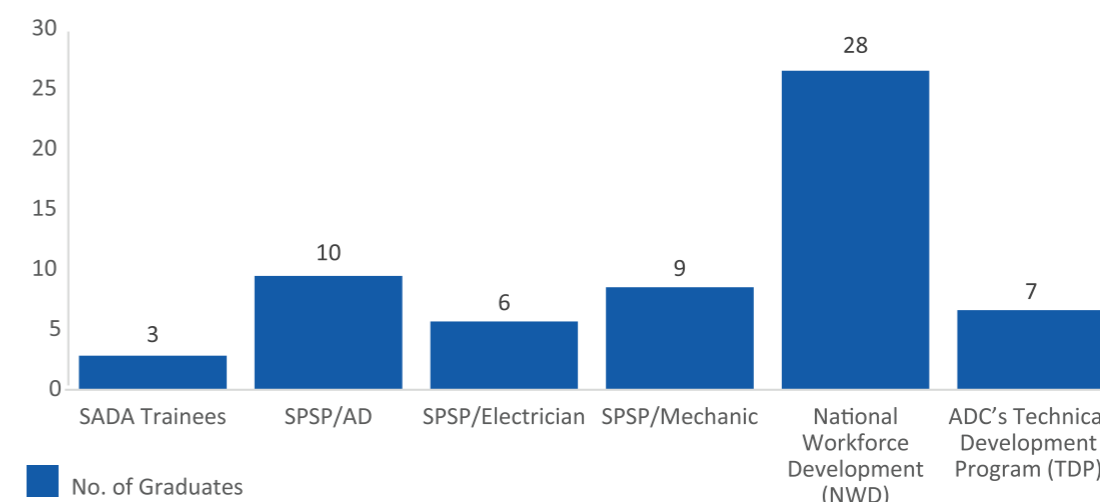
Saudi Arabian Drilling Academy (SADA)

Saudi Petroleum Services Polytechnic

National Workforce Development (NWD):

NWD is a career advancement program that combines "theoretical classroom training and on-the-job training" in order to prepare them for critical positions on the rig site.

ADC's Technical Development Program (TDP) and ADC's Accelerated Development Program (ADP) provide an opportunity for young Saudi engineering graduates to start and excel in their careers in various positions at the rig site.



Road Ahead for the year 2022

- ADC will continue to conduct market surveys in order to benchmark its practices to those of the industry.
- In order to strengthen our interaction with other stakeholders, we will arrange crew engagement workshops.
- We are working on the expansion of the training department and upgrading simulator training facilities.
- Our Training Department is seeking to be accredited by the Technical and Vocational Training Corporation (TVTC) and to obtain other international accreditations for our courses.
- To improve Saudization the following programs will be added:
 - » Rig Safety Training Coordinator Program (RSTC)
 - » Warehouse Man Program (WHM)
 - » Barge engineer
 - » Technology Life Cycle Management Engineers Program (TLM)
 - » Chief Mechanic and Chief Electrician Program
 - » Radio Operator Program (RO)



Contributing in Community Development

Every day, we drive positive change in our communities.

As a socially responsible corporate citizen, ADC also serves the communities by having a positive impact on their lives. ADC aspires to promote a harmonious relationship with communities by investing in priority areas such as local Saudi citizens' education and skill development, women's empowerment, local economic growth, and environmental conservation, among others.

Wherever possible, we to develop our local investments, engage Saudi nationals in our achievements and implement programs, initiatives, and awareness sessions that help mutually the growth of our business and our nation. We hire local vendors for the supply of materials and services.

To increase our capability in Saudi Arabia's economic and social development, we have been training local personnel and investing in local firms. We have chosen our projects, training, and initiatives with the local community and Saudi Vision 2030 in mind. Our objectives are planned in accordance with the expectations and demands of our country.

ADC provided the required support to Saudi Arabia's small and medium enterprises (SMEs) to support the local economic growth and contribute to Saudi Vision 2030. On the other hand, by improving our involvement in environmental management, cutting emissions, and safeguarding groundwater, we maintained appropriate respect for health and safety norms and regulations. Furthermore, regardless of the Covid-19 situation, all the mandatory safety awareness workshops and sessions were conducted for our staff and vendors regularly.

ADC Integration in Local Communities Development Support for Prisoners & their Families

Aligning our goals with Saudi Vision 2030, ADC is actively contributing to society by assuring the attraction of our Saudi employees to our company and developing essential programs as part of its Corporate Social Responsibility to strengthen their capacities and place the right people in the right positions. These programs comprise courses and training sessions to upskill employees to the needed level before enrolling in normal courses or on-the-job training as part of the rig-specific training matrix.

ADC has always been selecting talented Saudi nationals via several resourcing tools, recruitment strategies, and local universities. Our emphasis is to recruit the right candidates who help us innovate our operations in a competitive drilling sector.

For the fourth year in a row, ADC has been designated as one of the sponsors of the National Committee for the Care of Prisoners and Their Families. The TRAHUM humanitarian organization's goal is to give vital support to convicts' families and to assist them in improving their social standing in their society. In 2021, we prioritized ten (10) of the most vulnerable families and assisted them in managing their expenses, such as rent and schools for their children. 'TRAHUM' also conducted multiple counselling sessions with these families to help them make positive changes in their homes.

We believe that continuing our yearly tradition of supporting these types of aid programs to enhance the social status of these families will inspire our employees to recognize that our purpose of business growth should include a focus on adjusting the lives of those in need, which encompasses not only financial support but also keeping them away from any kind of immoral behavior.



In 2021, ADC donated to the "TRAHUM" Association, which is a charitable national social committee that supports prisoners and their families to raise social awareness among them.





Sponsorship Work and Participation

ADC has participated in an event at Al-Khafji to celebrate the extended support of Al-Khafji Hospital staff during the Covid-19 crisis. We have sponsored the ceremony of appreciation and esteemed the determination and commitment they gave to support the hospital during the crisis time.

Additionally, we have also sponsored the "Coast Guard" football team in the KJO Football League in Al-Khafji during December 2021.



Customer Privacy

Gaining and maintaining the trust of our customers is crucial for ADC. ADC ensures the protection of personal data and compliance with privacy laws.

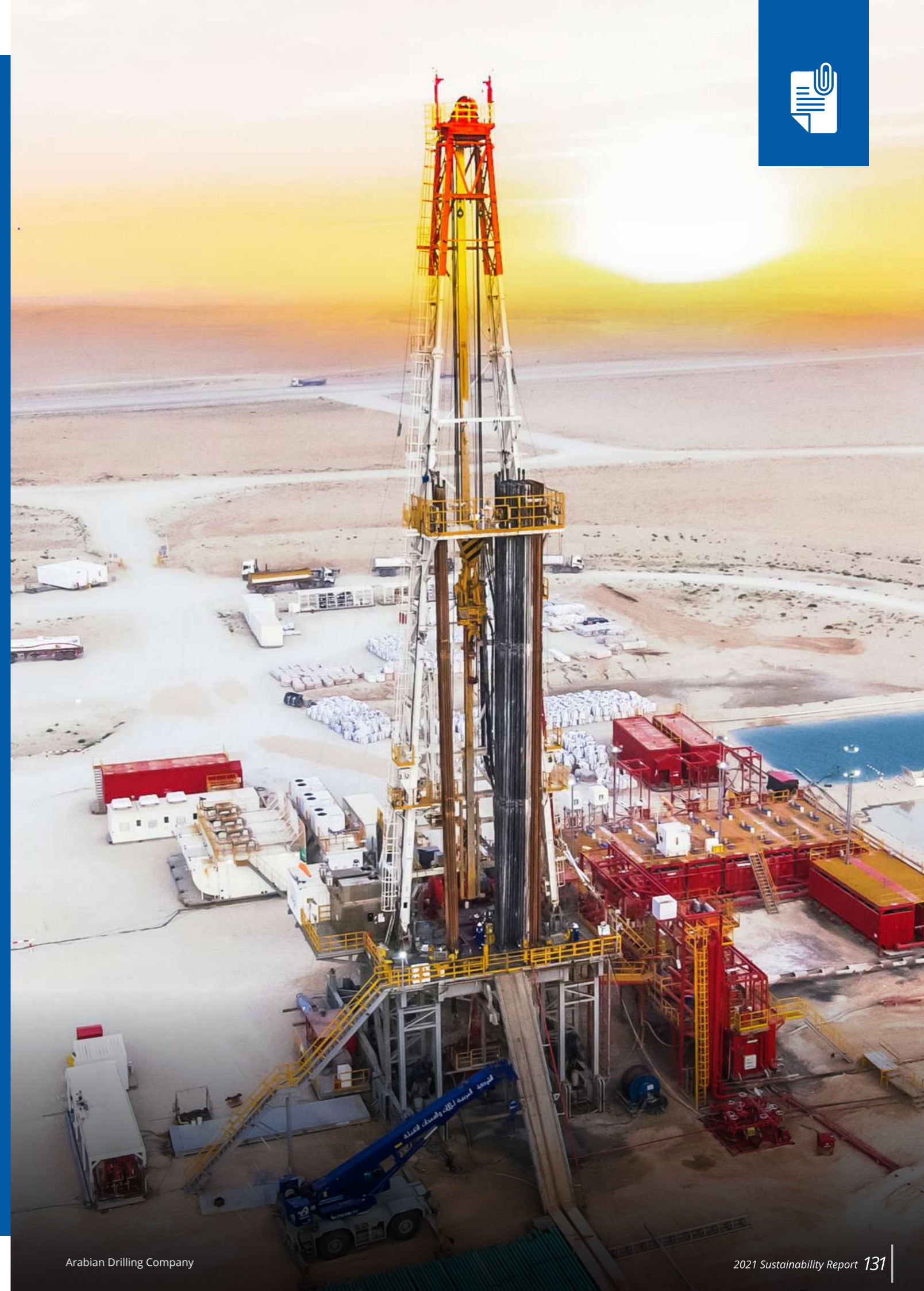
We strive to be transparent and open about the data we collect, to respect individual rights and choices, and to keep the information we gather safely from unauthorized use or disclosure. We also have strict Code of Conduct guidelines that encompass a variety of regulations that suit the needs of our customers. During the reporting year, however, there were no instances of non-compliance or violations of client privacy.

Road Ahead for the year 2022

- ADC will always keep supporting the prisoner's families in need and providing the necessary support for their children.
- Since Al-Khafji town is considered as an important start in our growth journey, ADC will be one of the sponsors for the 9th anniversary of the "We are all Al-Khafji" festival. We will support the programs and activities.



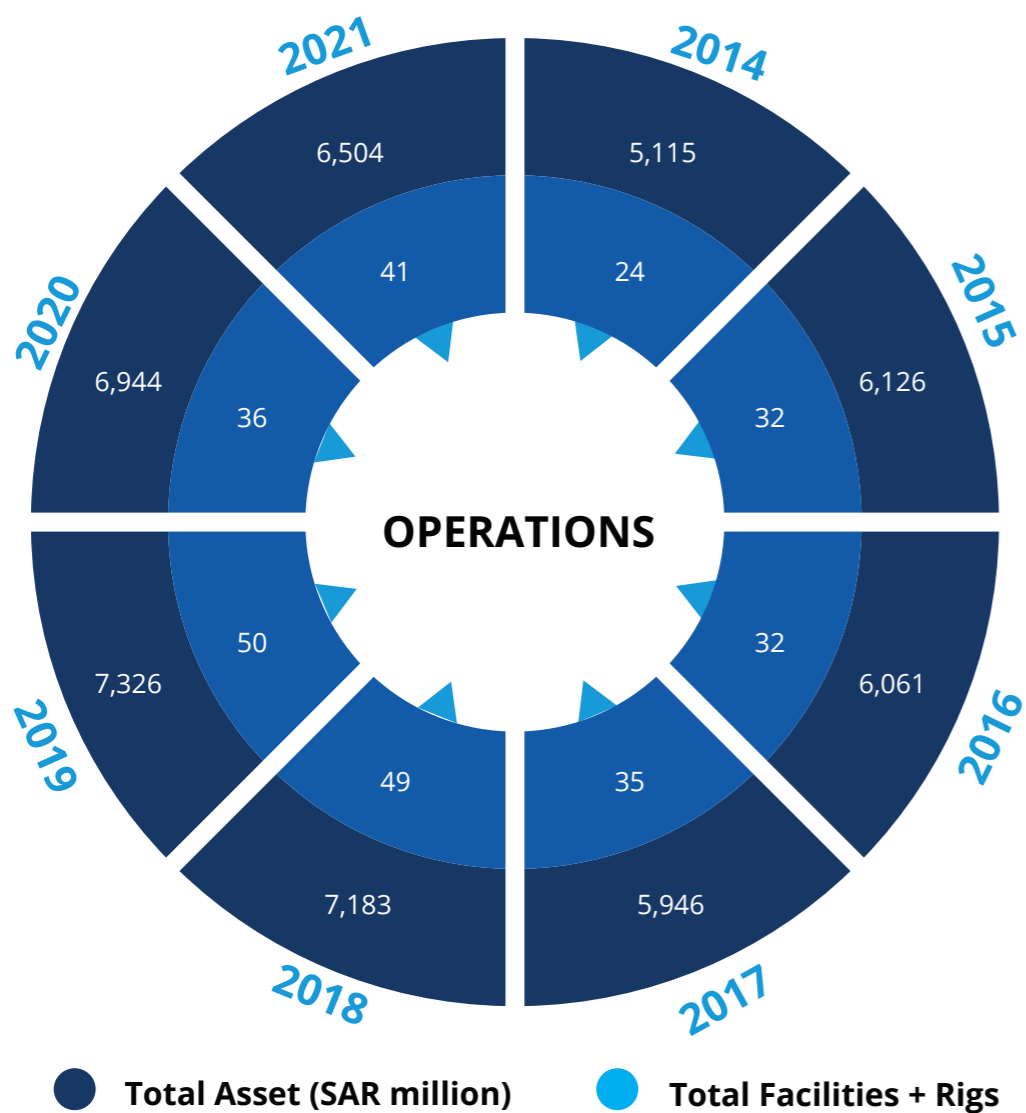
Appendix



EMPLOYEE HEADCOUNT

	2014		2015		2016		2017	
Total Employees	3,068		3,616		3,584		3,321	
	Male	Female	Male	Female	Male	Female	Male	Female
Total	3,066	2	3,602	14	3,568	16	3,300	21
Managers and above	39	0	46	0	49	0	51	0
Under 30 years old	0	0	0	0	0	0	2	0
30-50 years old	26	0	25	0	28	0	33	0
Over 50 years old	13	0	21	0	21	0	16	0
Saudi	16	0	19	0	20	0	22	0
Non-Saudi	23	0	27	0	29	0	29	0
Non-rig Employee	341	2	362	14	204	16	273	21
Under 30 years old	24	1	30	4	24	6	37	12
30-50 years old	245	1	250	10	137	10	190	9
Over 50 years old	72	0	82	0	43	0	46	0
Saudi	207	1	221	14	130	16	160	21
Non-Saudi	134	1	141	0	74	0	113	0
Rig Employees	2,725	0	3,240	0	3,364	0	3,212	0
Under 30 years old	948	0	1,277	0	1,357	0	1,456	0
30-50 years old	1518	0	1,693	0	1,743	0	1,553	0
Over 50 years old	259	0	270	0	264	0	203	0
Saudi	1,855	0	2,247	0	2,390	0	2,448	0
Non-Saudi	870	0	993	0	974	0	764	0
Employee Hired	Male	Female	Male	Female	Male	Female	Male	Female
Total	1,146	1	1,029	14	300	2	283	6
Under 30 years old	600	0	636	4	178	2	194	6
30-50 years old	509	1	333	10	92	0	72	0
Over 50 years old	37	0	60	0	30	0	17	0
Employee Turnover (includes termination, resignation, retirement, death and redundancy)	Male	Female	Male	Female	Male	Female	Male	Female
Total	419	0	493	2	449	0	436	1
Under 30 years old	260	0	274	1	219	0	153	0
30-50 years old	133	1	176	1	155	0	208	1
Over 50 years old	26	0	43	0	75	0	75	0

	2018		2019		2020		2021	
Total Employees	4737		4482		3917		4033	
	Male	Female	Male	Female	Male	Female	Male	Female
Total	4,709	28	4,446	36	3,883	34	3,979	54
Managers and above	76	0	80	0	67	0	89	1
Under 30 years old	1	0	0	0	1	0	8	1
30-50 years old	52	0	55	0	50	0	66	0
Over 50 years old	23	0	25	0	16	0	15	0
Saudi	26	0	31	0	27	0	46	1
Non-Saudi	50	0	49	0	40	0	43	0
Non-rig Employee	378	28	338	36	389	34	416	54
Under 30 years old	58	13	100	17	69	14	88	31
30-50 years old	264	14	206	18	268	19	279	22
Over 50 years old	56	1	32	1	52	1	49	1
Saudi	230	28	263	36	274	34	300	54
Non-Saudi	148	0	75	0	115	0	116	0
Rig Employees	4,331	0	4,028	0	3,494	0	3,563	0
Under 30 years old	1,921	0	1,676	0	1,269	0	1,282	0
30-50 years old	2,201	0	2,129	0	2,035	0	2,084	0
Over 50 years old	209	0	223	0	190	0	197	0
Saudi	3,184	0	3,041	0	2,665	0	2,735	0
Non-Saudi	1,147	0	987	0	829	0	828	0
Employee Hired	Male	Female	Male	Female	Male	Female	Male	Female
Total	1,800	8	432	9	41	1	536	26
Under 30 years old	1,041	4	223	5	9	1	362	24
30-50 years old	705	3	180	4	25	0	154	2
Over 50 years old	54	1	29	0	7	0	20	0
Employee Turnover (includes termination, resignation, retirement, death and redundancy)	Male	Female	Male	Female	Male	Female	Male	Female
Total	392	0	695	1	618	6	490	8
Under 30 years old	221	0	239	0	286	4	209	6
30-50 years old	134	0	347	1	248	2	227	2
Over 50 years old	39	0	109	0	84	0	54	0



HEALTH & SAFETY

Incident Rates for Employees	2014	2015	2016	2017	2018	2019	2020	2021
Injury Rate (IR)	1.84	2.13	2.51	1.54	1.08	0.79	0.82	0.22
Occupational Disease Rate (ODR)	0.17	0.46	0.15	0	0	0	0	0
Lost Day Rate (LDR)	0.23	0.8	0.35	0.27	0.14	0.18	0.46	0.11
Absentee Rate (AR)	0.0002	0.0002	0.0004	0.0003	0.0002	0.0007	0.0004	0.0001
Work-Related Fatalities	0	0	0	0	0	0	0	0

Incident Rates for Workers (contractors, etc.)	2014	2015	2016	2017	2018	2019	2020	2021
Injury Rate (IR)	0	0	0.42	0	0	0	0	0
Occupational Disease Rate (ODR)	0	0	0	0	0	0	0	0
Lost Day Rate (LDR)	0	0	0	0	0	0	0	0
Absentee Rate (AR)	0	0	0	0	0	0	0	0
Work-Related Fatalities	0	0	0	0	0	0	0	0

Training & Development

	2014		2015		2016		2017	
Average Hours of Training	Male	Female	Male	Female	Male	Female	Male	Female
Total	38.23	8	37.7	8	111	15	110	22
Under 30 years old	39	8	37	8	41	14	110	25
30-50 years old	38	8	29	8	61	16	28	19
Over 50 years old	39	0	39	0	10	0	26	0
Total	72.86	8	72.97	8	110.96	15	178	22
Saudi	41.65	8	39.77	8	104	15	136	22
Non-Saudi	31.21	0	33.2	0	6.96	0	42	0

	2018		2019		2020		2021	
Average Hours of Training	Male	Female	Male	Female	Male	Female	Male	Female
Total	138	23	41	35	19	35	18.7	16
Under 30 years old	135	18	35	31	20	31	18	23
30-50 years old	138	19	37	35	19	35	22	16
Over 50 years old	148	40	10	44	18	44	21	16
Total	221	22	81	35	39	35	47.8	22
Saudi	171	22	45	35	19	35	17.8	22
Non-Saudi	50	0	36	0	20	0	30	0

	2018		2019		2020		2021	
Percentage of Employees Who Received Regular Performance and Career Development Review	Male	Female	Male	Female	Male	Female	Male	Female
Total	84%	0%	88%	85%	91%	75%	92%	92%
Under 30 years old	93%	0%	79%	67%	96%	44%	96%	90%
30-50 years old	80%	0%	96%	93%	89%	93%	93%	93%
Over 50 years old	76%	0%	79%	0%	72%	0%	73%	0%
Saudi	89%	0%	88%	85%	96%	75%	96%	90%
Non-Saudi	72%	0%	88%	0%	77%	0%	80%	0%

Evaluation for 2021 performance is still in progress and the information is not yet available.

RESOURCE CONSUMPTION

Water	2014	2015	2016	2017	2018	2019	2020	2021
Water from Municipal Utility (kl)	309,299	368,356	336,595	352,782	452,191	599,192	515,651	426,208
Water Intensity by Total Facilities + Rigs (kl per unit)	12,887	11,511	10,519	10,079	9,228	13,618	14,324	10,395.30
Waste	2014	2015	2016	2017	2018	2019	2020	2021
Liquid Hazardous Waste (kl)	313.6	465.34	501.72	481.48	544.33	487.13	365.67	325.57
Liquid Hazardous Waste Intensity by Total Facilities + Rigs (kl per unit)	13.07	14.54	15.68	13.76	11.11	10.36	10.1	7.94
Recycled Liquid Hazardous Waste (kl)	313.6	465.34	501.72	481.48	544.33	487.13	350.7336	399.4
% Recycled	100%	100%	100%	100%	100%	100%	100%	100%
Solid Non-Hazardous Waste (tonnes)	163.95	486.82	1,114.63	1,084.05	2,397.43	3,028.39	3,831.06	2,739.57
Solid Non-Hazardous Waste Intensity by Total Facilities + Rigs (tonnes per unit)	6.83	15.21	34.83	30.97	48.93	64.4	63.40	66.8
Landfill (tonnes)	163.95	486.82	1,114.63	1,084.05	2,397.43	3,028.39	3,831.06	2,739.57

SUPPLY CHAIN MANAGEMENT

Percentage of New Suppliers Assessed	2014	2015	2016	2017	2018	2019	2020	2021
Environmental Criteria	100%	100%	100%	100%	100%	100%	100%	100%
Social Criteria	100%	100%	100%	100%	100%	100%	100%	100%
Local Procurement	2014	2015	2016	2017	2018	2019	2020	2021
Percentage of Procurement Budget Spent on Local Vendors	42%	49%	68%	72%	40%	62.1%	60.9%	65%
Supplier Satisfaction	N/A	91%	95%	Assessment in Progress	No update	No update	No update	No update

GRI Content Index

GRI content index is clearly presented and the references for all disclosures included align with the appropriate section in the body of the report.

GRI Content Index

General Disclosure	Disclosure Number	Disclosure Title	ADC Information	Page number (s)
GRI 102: General	Organization profile			
	102-1	Name of the organization	Cover Page	1
	102-2	Activities, brands, products, and services	About ADC	16-25
	102-3	Location of headquarters		
	102-4	Location of operations		
	102-5	Ownership and legal form		
	102-6	Markets served		
	102-7	Scale of the organization		
	102-8	Information on employees and other workers	ADC at a Glance/Quick Facts	10-11
	102-9	Supply chain	Economy (Powerful Supply Chain & Economy Approaches for a Sustainable Business)	95
	102-10	Significant changes to the organization and its supply chain	Economy (Responsible Supply Chain, Supply Chain Strategy)	95-96
102-11	Precautionary Principle or approach	Environment – ADC ensures an environmental management which complies with rules and regulations	104-113	

GRI 102: General Disclosures 2016

102-12	External initiatives (part of charters or international organizations)	UN SDGs, Saudi Vision 2030, Saudi Aramco IKTV, ISO Standards	20-25
102-13	Membership of associations	None	-
Strategy			
102-14	Statement from senior decision-maker	Leadership Message	12-15
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	Governance and Responsible Business	32-33
102-17	Mechanisms for advice and concerns about ethics	Governance and Responsible Business (Business Ethics)	40
Governance			
102-18	Governance structure	Governance and Responsible Business (Governance Structure)	33-36
102-25	Conflicts of interest	Governance and Responsible Business (Internal Committees and Business Operations Management, Business Ethics) Economy (Anti-Corruption and Bribery)	38-40, 103
102-30	Effectiveness of risk management process	Governance and Responsible Business (Risk Management)	43-45
102-32	Highest governance body's role in sustainability reporting	Governance and Responsible Business (Governance Structure- Board of Members & Organization Structure)	33-36
Stakeholder Engagement			
102-40	List of stakeholder groups	Governance and Responsible Business (Sustainable Strategy)	47-51

GRI 102: General Disclosures 2016

102-42	Identifying and selecting stakeholders	Governance and Responsible Business (Sustainable Strategy)	
102-43	Approach to stakeholder engagement		
102-44	Key topics and concerns raised		
Reporting Practices			
102-45	Entities included in the consolidated financial statements	OFSAT Arabia	6, 74
102-46	Defining report content and topic Boundaries	Approach for Reporting	6-9
102-47	List of material topics	Governance and Responsible Business (Materiality Assessment and Analysis)	53-56
102-48	Restatements of Information	Approach for Reporting	6-9
102-49	Changes in Reporting		
102-50	Reporting Period	1 January 2021 – 31 December 2021	
102-51	Date of most recent Report	Mar-20	-
102-52	Reporting Cycle	Annual	
102-53	Contact point for questions regarding the report	Approach for Reporting (Feedback and Suggestions)	6-9
102-54	Claims of reporting in accordance with the GRI Standards	Approach for Reporting (Global Reporting Initiative, Reporting Topic Boundaries)	
102-55	GRI Content Index	GRI Content is provided here	137-141

Management Approach

GRI 103: Management Approach

103-1	Explanation of the material topic and its Boundary	Governance and Responsible Business (Sustainable Strategy, Materiality Assessment and Analysis)	47-52
103-2	The management approach and its components	Governance and Responsible Business (Sustainable Strategy)	47-48

Material Topics	Disclosure Number	Disclosure Title	Information	Page number (s)
Economic				
Indirect Economic Impact	203-2	Significant indirect economic impacts	Economy (Training and Workshops for Enhancement of ADC Supply Chain Approach)	94
Procurement Practices	204-1	Proportion of spending on local suppliers	Economy (In-country Procurement)	93
Anti-Corruption	205-2	Communication and training about anti-corruption policies and procedures	Economy (Anti-Corruption and Bribery)	103
Environment				
Energy	302-01	Energy consumption within the organization	Environment (Energy and Emission)	107
	302-03	Energy intensity	Environment (Energy and Emission)	107
Water	303-01	Water withdrawal by source	Environment (Water)	110
Emission	305	Emissions	Environment (Energy and Emission)	107
Effluent & Waste	306-02	Waste by type and disposal method	Environment (Spills & Discharge to Sea, Waste)	111-113
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Environment (Environmental Compliance)	106
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Economy (Supplier Onboarding and Assessment, In-Country Procurement)	93, 102
Social				
Employment	401-1	New employee hires and employee turnover	People and Society (Saudi Content, Diversity and Equal Opportunity, Employee Satisfaction)	115-116, 118
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People and Society (Employee Satisfaction, Benefits)	118-119

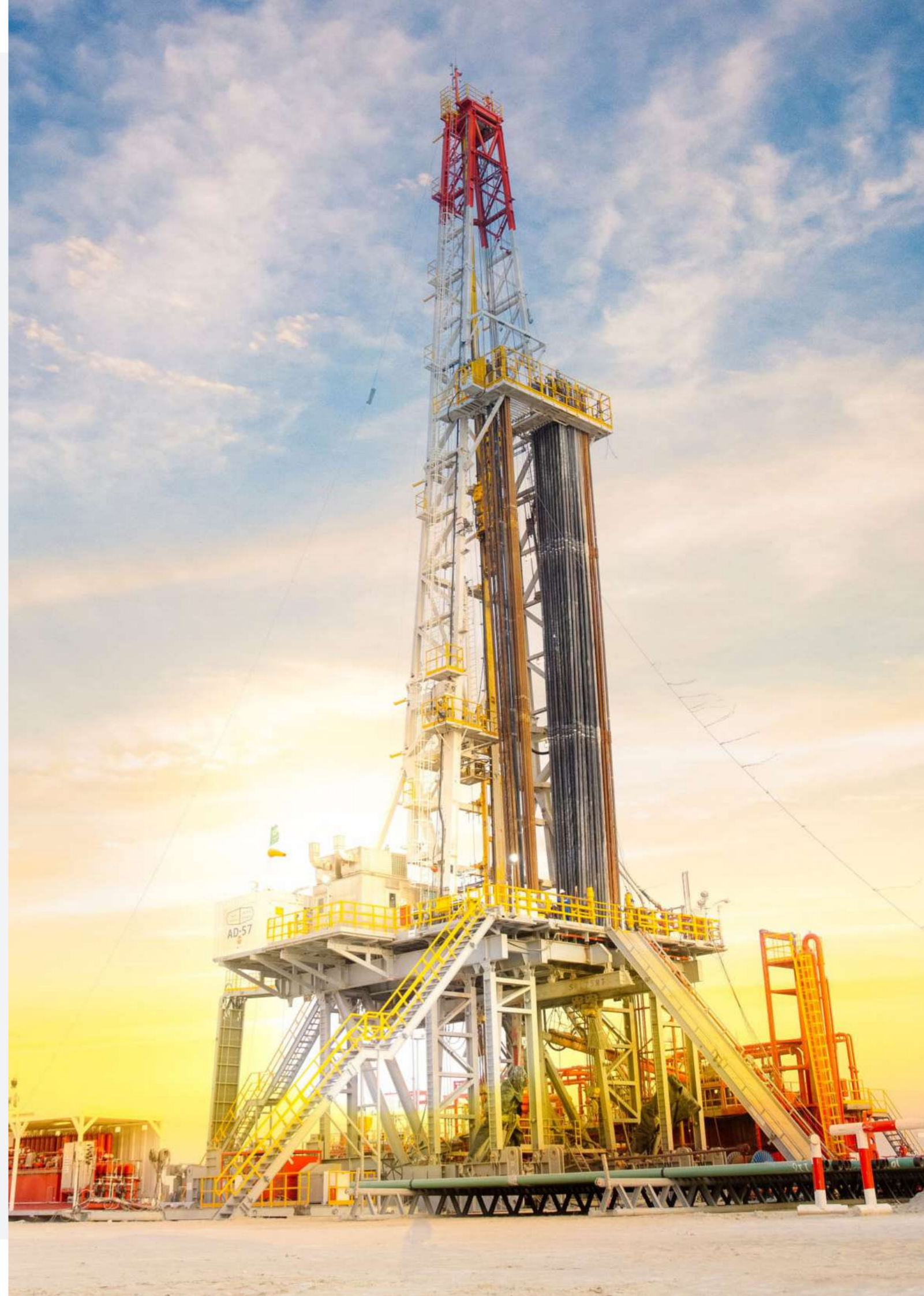
Occupational Health & Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Health and Safety (Safety Focus, Safety Monitoring)	81, 87
Training & Education	404-1	Average hours of training per year per employee	People and Society (Training and Capacity Building, Fares Career Development Program, Empowering Young Saudi Nationals)	121, 123, 125
	404-2	Programs for upgrading employee skills and transition assistance programs		
	404-3	Percentage of employees receiving regular performance and career development reviews		
Diversity & Equal Opportunity	405-1	Diversity in employees and Equal Opportunity	People and Society (Diversity and Equal Opportunity)	116
Local Community	413-1	Local Communities engagement and involvement	People and Society (Community Engagement, Empowering Young Saudi Nationals)	124-126
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Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Economy (Supplier Onboarding and Assessment, In-Country Procurement)	100-102
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