



Sustainability Report 2024

SUSTAINING PROGRESS THROUGH ENERGY TRANSITION

Content

About This Report	6	Diversity, Inclusion and Equal Opportunities.....	51
CEO’s Message	8	Human Rights.....	54
Arabian Drilling at a Glance	10	Social Impact and Community Development.....	55
Who We Are.....	10	Climate Actions	56
Vision and Mission.....	10	Environmental Management Approach.....	58
Arabian Drilling Corporate Strategy.....	12	Decarbonization and Renewable Energy Transition	61
Legal Structure.....	16	Energy Efficiency and Conservation Management.....	66
Location and Facilities	17	Waste Management and Circular Economy Practices.....	69
Awards and Recognition	17	Spill Prevention and Response	72
Sustainability Strategy	18	Water and Wastewater Management.....	75
Sustainability Management at Executive and Board Level	20	Preservation of Natural and Cultural Sites	77
Stakeholder Engagement	21	Corporate Governance and Operational Excellence	78
Materiality Assessment.....	22	Governance Structure	80
Our Sustainability Framework.....	24	Business Ethics and Compliance	83
Aligning to the Saudi Vision		Risk Management.....	90
2030 Initiatives.....	28	Artificial Intelligence, Innovation and Digital Transformation	92
2024 Performance Highlights	29	Financial Performance.....	101
People and Society	30	Supply Chain Management.....	104
Occupational Health and Safety	32	Appendices	108
Human Capital Development	42	Stakeholder Engagement Approach.....	110
		GRI Context Index	112

Sustaining Progress Through Energy Transition

Arabian Drilling drives “Sustaining Progress Through Energy Transition” by integrating responsible practices and innovative solutions, ensuring long-term value creation for stakeholders while contributing to a more resilient energy future.



About This Report

At Arabian Drilling, we prioritize transparency, open communication, and active engagement with our stakeholders. This seventh annual sustainability report reflects our ongoing progress in environmental, social, and governance (ESG) performance, as well as our contributions to Saudi Vision 2030 throughout 2024.

This report underscores our commitment to responsible business practices and highlights the strides we have made in expanding our operations and reinforcing our leadership in the Kingdom of Saudi Arabia. It showcases key sustainability initiatives and best practices implemented in 2024.

Frameworks and Guidelines

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and GRI 11: Oil and Gas Sector 2021 Standard. It also outlines our alignment with the United Nations Sustainable Development Goals (UN SDGs). Additionally, we have started aligning our report with achieved partial alignment with the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards. We remain committed to further enhancing our disclosures in the future.

Scope and Boundary

This report covers the financial year from January 1, 2024, to December 31, 2024, focusing on the most material topics for Arabian Drilling and its stakeholders.

In 2024, Arabian Drilling's operations remained exclusively within the Kingdom of Saudi Arabia. Accordingly, this report covers our business activities in Saudi Arabia, including direct employees, owned assets, and indirect influence on contractors and vendors within the Kingdom where applicable. The report also includes our subsidiary, OFSAT, with its information tracked through financial and operational reporting. In February 2025, a strategic alliance with Shelf Drilling was announced. Since no rigs were operating under this alliance in 2024, this report does not include Shelf Drilling-operated Arabian Drilling assets.

Feedback and Suggestions

We welcome feedback and suggestions regarding our operations, sustainability performance, and commitments. Please share your thoughts by contacting us at sustainability@arabdrill.com.

Forward-Looking Statements

This report may include forward-looking statements related to future expectations, projections, and objectives beyond historical data. These statements have not been audited by Arabian Drilling's external auditors and should not be solely relied upon by investors. They reflect current assumptions and expectations but remain subject to unforeseen risks, uncertainties, and external factors.

While we strive for accuracy and completeness, forward-looking statements are valid only as of their publication date. Actual outcomes may differ significantly from projections, and Arabian Drilling does not undertake any obligation to update or revise these statements post-publication.

Strategic Alliance
Shelf drilling 

CEO's Message

Arabian Drilling's journey in 2024 was defined by **resilience, innovation, and our unwavering commitment to sustainability**. In a year of industry-wide shifts, we remained focused on delivering operational excellence while taking key steps toward a lower-carbon future. Our ability to adapt and innovate continues to reinforce our position as one of the leaders in the energy sector, ensuring that we contribute meaningfully to the **Saudi Vision 2030** and broader global sustainability goals.



A major milestone in our sustainability journey was the development of our **Decarbonization Roadmap**, which serves as a guide to reducing emissions and transitioning to renewable energy. Through the implementation of sustainable projects like Solar Camp, Solar Powered tower lights, Mast Crown Lights, we successfully **avoided 189 metric ton (MT) of CO₂e emissions** in 2024 that includes 46,000 KWH of pure green energy, reinforcing our responsibility to operate efficiently while minimizing our environmental footprint. Alongside this, we continued to advance and integrate energy management system and **optimize fuel consumption**, ensuring that sustainability remains embedded in every aspect of our operations.

Technology and innovation remain at the heart of our business strategy, not only driving efficiencies but also enhancing safety and operational performance. This year, we **accelerated our digital transformation** with the launch of several key initiatives. Our Behavior Empowerment Center now acts as a central command station, monitoring live camera feeds from rigs to enhance safety across operations. Our **Infinity Innovation Lab** streamlines real-time data from rigs, optimizing equipment and workforce management, while the integration of a **new SAP-based ERP system** has transformed how we manage critical business functions, increasing efficiency across finance, logistics, HSE, and HR. These advancements contributed to an **exceptional Rig Efficiency Index (REI) score of 94.3%**, reaffirming our ability to deliver high performance.

Our people are at the core of Arabian Drilling's success. We take pride in our efforts to **develop local talent and drive national workforce participation**, and this

commitment was recognized with the **IKTVA Excellence Award for Best in Saudization (Services)**. Beyond our internal initiatives, we continue to engage with the wider community, leading a **HSE campaign at Aramco Abqaiq School**, educating the next generation about safety and environmental responsibility. We also **hosted the IADC Northern Arabian Gulf Chapter**, bringing industry leaders together to collaborate on safety, innovation, and best practices.

Our success in 2024 was further reinforced our growing leadership by penetrating the **Unconventional Gas Market**, by adding **13 new unconventional rigs at record time**. This is a testament to both our expertise and the confidence our clients have in our ability to deliver. Building on this momentum, we achieved another historic breakthrough by drilling the first-ever **Geothermal well** in the Middle East, reinforcing our commitment to innovation and energy diversification.

Looking ahead, our commitment to sustainability will only deepen. By continuing to advance decarbonization, digital transformation, and workforce development, we are shaping a future that is both responsible and resilient. None of this would be possible without the dedication and expertise of our people, the trust of our clients, and the unwavering support of our shareholders. Together, we will keep pushing boundaries, building on our legacy of excellence and innovation, and ensuring that Arabian Drilling remains a leader in sustainable energy solutions. We eagerly anticipate our shared successes ahead and invite you to explore our 2024 Sustainability Report.

Ghassan Mirdad
Chief Executive Officer

Arabian Drilling at a Glance

Who We Are

Arabian Drilling is a leading onshore and offshore oil and gas drilling company in Saudi Arabia, recognized for its award-winning operational excellence and continuous innovation. With a strong track record of enhancing safety and efficiency in drilling operations, we have established ourselves as a key player in the industry.

Founded in 1964, Arabian Drilling is the market leader in Saudi Arabia's drilling sector. Our majority shareholders include the Industrialization and Energy Services Company (TAQA), a Saudi Joint Stock company, and SLB (formerly Schlumberger), a global leader in oilfield services.

We proudly serve major clients such as Aramco, Al-Khafji Joint Operations

(KJO), SLB, and Baker Hughes, operating a diverse fleet of onshore and offshore rigs. Our highly skilled professionals manage rigs designed to endure the region's demanding conditions, including H2S environments and high-pressure, high-temperature wells.

As the energy sector evolves, Arabian Drilling remains at the forefront, integrating sustainable practices across its operations to meet the world's growing energy needs responsibly. Our sustainability strategy aligns with the United Nations Sustainable Development Goals (UN SDGs) and Saudi Arabia's Vision 2030, fostering local talent, supporting suppliers, and driving positive economic and community impact while minimizing

environmental footprints.

OFSAT Arabia LLC (OFSAT), a wholly owned subsidiary of Arabian Drilling, is a leading provider of oilfield rig moving services. Since 1980, OFSAT has specialized in the safe and efficient relocation of drilling rigs, utilizing an extensive fleet of heavy oilfield winch trucks, cranes, forklifts, low-bed trailers, and other specialized machinery.

In 2024, we formed a strategic alliance with Shelf Drilling, a leading offshore drilling contractor with a strong global presence. This partnership enables us to leverage Shelf Drilling's industry expertise, market relationships, and established footprint to create new opportunities for our premium rigs in international markets.



Vision and Mission

Vision: Leading sustainable drilling services.

Mission: Evolve our business to add value to our people, customers and shareholders by following the highest safety, technological, and operational standards.

Values: STRIVE



Safety: The safety of our people is our guiding compass and guides all our actions. We adhere to the highest safety standards as we act to create operational excellence.



Teamwork: We collaborate and coordinate our actions to achieve superior results with efficiency, acting in mutuality and harmony.



Reliability: We are consistent in our performance, and always deliver on our commitment. We inherently value reliability to build long-term relationships based on trust.



Integrity: We are open and transparent in our conduct. We act with honesty, integrity, and in compliance with our code of ethics.



Value: We create value for those around us through responsible, cleaner, and safer access to energy for every community. As we highly adhere to ESG standards in everything we do.



Environment: Our planet is our responsibility, and all our actions are driven by our concern for the environment and our commitment to protect and preserve it.

Arabian Drilling Corporate Strategy

Our corporate strategy defines our vision for the present and future, serving as a guiding framework for all company actions, decisions, and directions. The strategy is built on three core pillars:

Strategic Pillar	Deliver Best-in-Class Operational Performance to Unlock Shareholders Value	Grow our Core Business in Saudi and Expand Regionally and Internationally	Upgrade our Operating Model
Description	<ul style="list-style-type: none"> Promote a culture of outstanding service quality to be recognized as an industry leader in quality of services Continually improve our safety record Optimize rig move process 	<ul style="list-style-type: none"> Expand by growing our core Saudi business Focus on growth in unconventional gas Identify new revenue streams 	<ul style="list-style-type: none"> Implement cost optimization initiatives Enhance digitalization and business process improvement Attract world-class talent Maintain high rate of Saudization Upgrade facilities
KPIs	<ul style="list-style-type: none"> Rig Efficiency Index (REI) Non-Productive Time (NPT) Total Recordable Incident Frequency (TRIF) Day saved per rig move 	<ul style="list-style-type: none"> Fleet size expansion Revenue and backlog growth Diversify client portfolio 	<ul style="list-style-type: none"> Onboarding, training, and retaining local talents ERP upgrade to foster efficiencies Enhance the working environment High-impact cost savings initiatives

Strategic Pillar	Deliver Best-in-Class Operational Performance to Unlock Shareholders Value	Grow our Core Business in Saudi and Expand Regionally and Internationally	Upgrade our Operating Model
2024 Achievements	<ul style="list-style-type: none"> Achieved an average REI of 94.3 with close to 80% of the rig scoring in high performance (> 85%), according to Aramco 36-month average and scoring matrix Four KJO rigs achieved 94.28% Service Quality Assessment rating NPT recorded at 1.67% TRIF recorded at 0.69 130 total days saved on rig moves. 	<ul style="list-style-type: none"> Successful startup of 13 unconventional rigs Gained qualifications in key markets outside Saudi Arabia 	<ul style="list-style-type: none"> Successful implementation of SAP S/4HANA Implementation of the Driving Behavior Center Opening of the Infinity Innovation Lab Enhancement of the Behavior Empowerment Center (BEC) Digitizing Enterprise Risk Management
2025 Goals	<ul style="list-style-type: none"> Revenue diversification Host a capital markets day to enhance investor confidence 	<ul style="list-style-type: none"> Regional and international expansion Entering new markets 	<ul style="list-style-type: none"> Continue optimizing processes through AI and digitalization Building a strong culture shift, with line management reinforcing company values and behaviors that to drive a positive impact


Market-differentiating Standards

We remain dedicated to maintaining six key market-differentiating standards in our strategic operations and activities, ensuring Arabian Drilling is always prepared to capitalize on emerging opportunities and contribute to the Kingdom’s industrial growth.

Key Market-Differentiating Standards	Description
Strong presence in a resilient market	<p>Advancing forward-looking market growth and engagement strategies, including:</p> <ul style="list-style-type: none"> Optimizing low production costs and drilling-intensive legacy fields to maintain production and rig operation stability amid fluctuating oil prices. Stimulating onshore and offshore rig demand by anticipating increases in hydrocarbon and Exploration and Production (E&P) drilling CAPEX.
Provider of industry leading drilling services	<ul style="list-style-type: none"> Holding approximately 19.1% of the Kingdom’s total market share and 18.2% of the Saudi Aramco market share. Largest drilling contractor in Saudi Arabia by fleet size as of December 2024, with a total fleet of 59 land and offshore rigs. Effectively navigating complex regulatory frameworks and eliminating entry barriers. Strengthening long-standing ties with Saudi Aramco to solidify our market position.
Operational Integrity	<ul style="list-style-type: none"> Aiming to be a leading drilling contractor in the region by maintaining high Rig Efficiency Index (REI) scores, embracing digital advancements, and continuously improving safety performance. Supporting the Kingdom’s economic growth through local sourcing and Saudization initiatives.
Solid financial profile	<ul style="list-style-type: none"> Sustaining strong profitability margins through a lean cost structure, a highly skilled workforce, disciplined CAPEX management, and prudent financial practices, ensuring a resilient balance sheet.

59 
Land and offshore rigs

19% 
Total market share

18.2% 
Saudi Aramco share

Key Market-Differentiating Standards	Description
Disciplined growth strategy	<ul style="list-style-type: none"> Utilizing industry expertise and market insights to stay prepared for rising drilling demand, driven by Saudi Aramco’s objectives and new developments such as the Jafurah gas field and the expanding Geothermal sector. Enhancing adaptability in renewable energy, hydrogen, biofuels, and carbon capture and storage technologies to support our carbon emission reduction goals.
Experienced and aligned management team	<ul style="list-style-type: none"> Empowering and supporting experienced leadership, backed by TAQA and SLB, with extensive industry knowledge and regional expertise. Strengthening and expanding our commitment to regional interests and strategic partnerships to enhance local manufacturing and industrial capabilities.





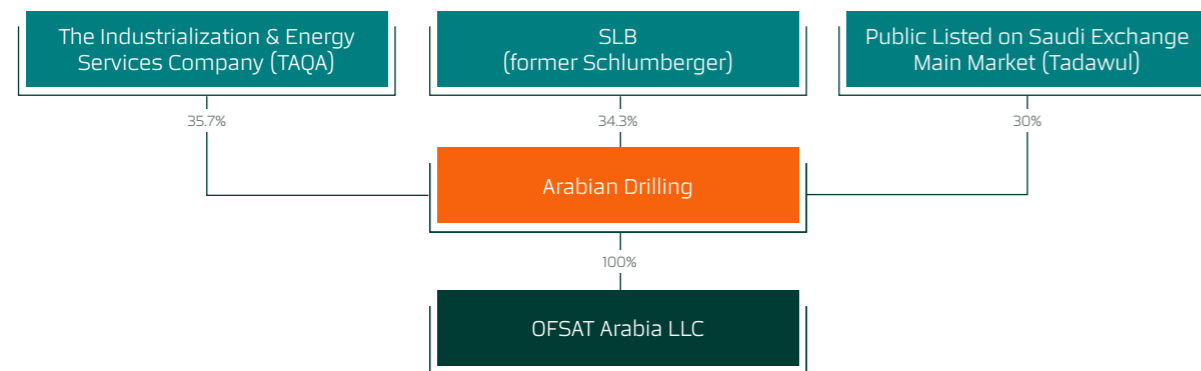
Location and Facilities

Arabian Drilling is based in Al Khobar and operates across seven additional facilities. As of December 31, 2024, these locations included:

City	Premises
Al Khobar	Head office
Dhahran	Operational base
Dammam	TLM Workshop
Dammam Riyadh Road	Yard
Khafji	Operational base and residential compound
Abqaiq	OFSAT operational base and yard
Dammam	Arabian Drilling Learning Academy (ADLA)
Dammam	Stack yard
Khobar	Dalaal 1 - Staff House
Khobar	Dalaal 2 - Staff House
Khobar	Dalaal 3 - Staff House

Legal Structure

Based in Al Khobar, Eastern Province, Saudi Arabia, Arabian Drilling is a Mixed Closed Joint Stock Company solely focused on operations within the Kingdom, with no presence outside Saudi Arabia. Our company's primary shareholders include TAQA and SLB.



In 2022, Arabian Drilling debuted on the Tadawul stock exchange through an initial public offering (IPO), making 30% of its shares available to investors.

Shareholder	Number of shares	Ownership (#)	Overall nominal value (٬)
TAQA	31,773,000	35.7%	317,730,000
SLB	30,527,000	34.3%	305,270,000
Public	26,700,000	30%	267,000,000
Total	89,000,000	100%	890,000,000

Awards and Recognition

- IKTVA Excellence Award for Best in Saudization (Services) – Recognized by Aramco for outstanding commitment to Saudization.
- Saudi Capital Market Forum – Achieved third place in the Investor Relations Award (mid-capitalization companies).
- Best CFO – Drilling Saudi Arabia – Presented by International Finance Magazine for financial leadership in the drilling sector.
- Most Improved Investor Relations Program – Recognized at the MEIRA Awards during the Saudi Capital Market Forum for significant progress in investor relations.
- Investor Relations Excellence (3rd place) – Achieved third place at the MEIRA Awards for leadership in corporate investor relations.



Sustainability Strategy

Arabian Drilling proudly recognizes its pivotal role in the Kingdom's drilling industry and its significant contribution to the national economy. In alignment with this responsibility and in steadfast support of our mission and values, we place sustainability at the core of our operations. We are committed to driving sustainable development by championing innovation, maximizing efficiency, and delivering long-term value for our stakeholders. By embedding responsible practices into every aspect of our operations, we ensure alignment with global standards, including the UN SDGs, and contribute meaningfully to Saudi Vision 2030.

Understanding that environmental and social responsibility are integral to all facets of our operations—from strategic planning to day-to-day activities—we have adopted a comprehensive sustainability strategy. This strategy outlines our commitments and directs our efforts across three key focus areas, reinforced by eleven essential elements of social and environmental responsibility.



Sustainability Management at Executive and Board Level

HSE and Sustainability Committee at the Board Level

To guarantee the effective integration of sustainability principles throughout our operations, we have instituted robust governance mechanisms that address climate-related challenges.

The Health, Safety, Environment, and Sustainability (HSE&S) Committee is the highest governance body overseeing sustainability at Arabian Drilling. The committee, operating at the board level, is tasked with making decisions on the company's impacts on people, the environment, and the economy. It is composed of four members, one independent board member, two non-board members and one Arabian Drilling executive member. In 2024, the committee held four meetings.

Committee Functions and Responsibilities

- Collaborate with the executive team to define long-term health, safety, and sustainability objectives, evaluate progress, and report to the Board of Directors.
- Provide guidance to the Executive Team on HSE-related matters that may impact the company's operations, reputation, or performance.
- Develop and implement strategic plans to enhance health, safety, environmental standards, and sustainability, ensuring alignment with long-term business goals.
- Recommend responsible and sustainable business practices that support Arabian Drilling's commitment to HSE and sustainability goals.
- Monitor and evaluate HSE risk management processes across Arabian Drilling's operations.
- Oversee the development, effectiveness, and ongoing compliance of HSE policies, procedures, and systems, ensuring they remain current with regulations and industry standards.

Stakeholder Engagement

Arabian Drilling defines stakeholders as individuals or entities that can significantly influence our business and operations, or those who are most directly impacted by our activities. Understanding and anticipating their evolving needs and priorities is essential for our continued success. Annually, we engage with stakeholders through purposeful interactions and conduct a thorough assessment of their interests and concerns, identifying

critical areas of opportunity and risk. Given the broad spectrum of stakeholders, we prioritize engagement with key groups based on their level of influence, as well as the urgency and legitimacy of their concerns. Our stakeholder engagement approach adheres to global best practices and established engagement protocols.



Stakeholder Identification



Data collection



Mapping and analysis

Further details on Stakeholder Engagement Approach can be found in the [Appendix](#).

4 stakeholder meetings held in 2024



Materiality Assessment

In alignment with our vision, values, and overall risk management approach, Arabian Drilling continuously refines its sustainability strategy to address the most significant ESG issues affecting our business and stakeholders. Our latest materiality assessment, conducted in accordance with GRI 3 Standards in 2024, reflects evolving industry trends, stakeholder expectations, and national and international sustainability frameworks.

Our Materiality Assessment Approach

We adopted a double materiality approach, which evaluates sustainability issues from two perspectives:

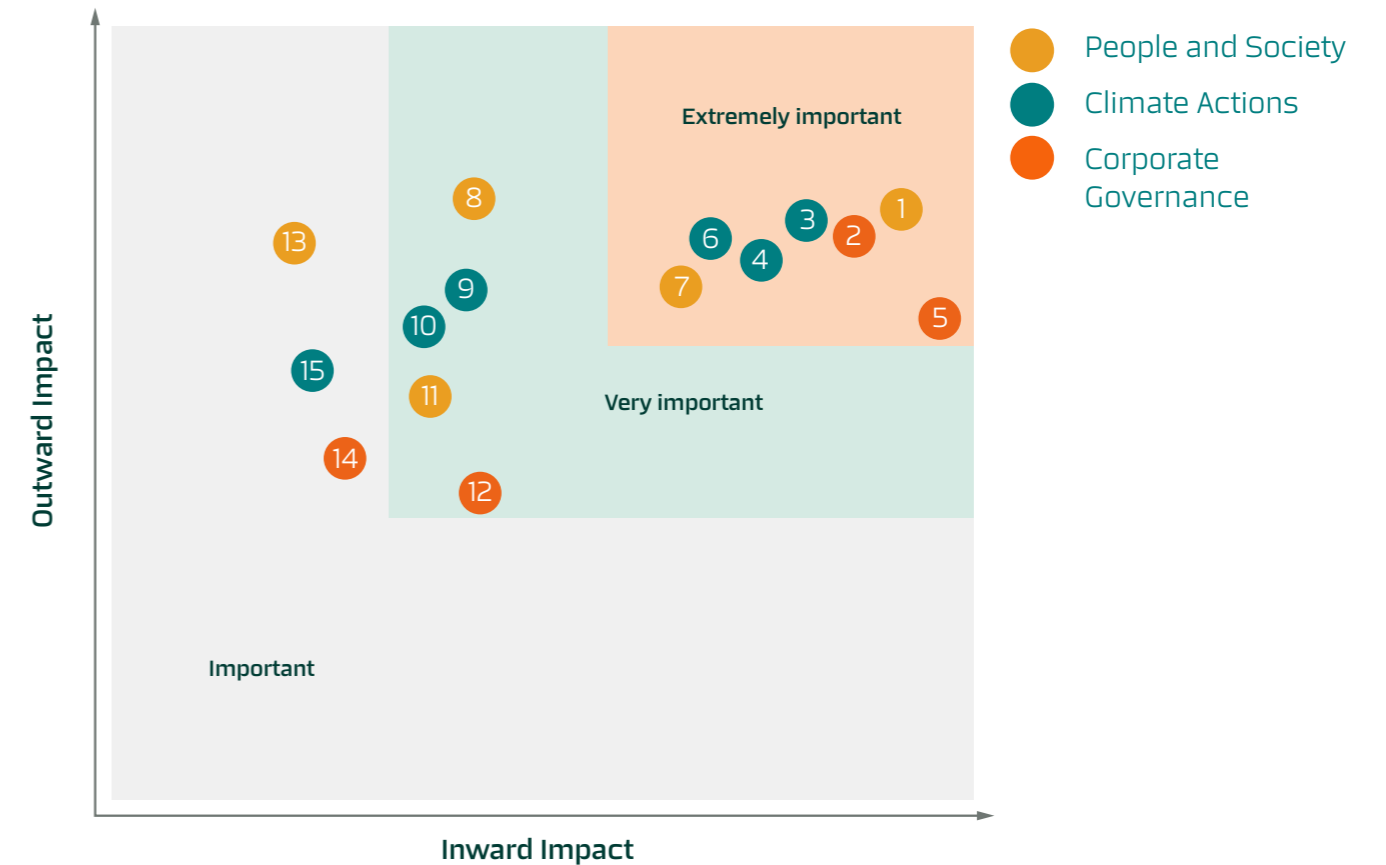
- **Outward Impact:** We assess how our operations influence the economy, environment, and society, including human rights.
- **Inward Impact:** We examine how sustainability-related risks and opportunities affect our financial performance.

We apply this comprehensive approach to ensure that ESG factors are fully integrated into our strategic decision-making.

By aligning materiality assessment with risk management, we proactively address sustainability risks and opportunities, strengthening resilience and supporting long-term value creation.

To identify and prioritize material topics, we followed a structured process:

- **ESG Assessment and Peer Review:** We evaluated sustainability standards, national priorities, and industry best practices, reviewing frameworks such as Saudi Vision 2030, GRI, SASB, UN SDGs, and ESG ratings to define material topics relevant to our business.
- **Stakeholder Engagement:** We conducted internal and external surveys to assess the significance of key sustainability issues from multiple perspectives, evaluating their impact on our business operations and stakeholder priorities.
- **Validation with Internal Stakeholders:** We engaged with executives and subject-matter experts to ensure the selected material issues align with our strategic objectives.
- **Prioritization of Material Topics:** We identified and categorized 15 key material issues, resulting in the development of a materiality matrix that highlights the most critical ESG issues based on their inward and outward impacts.



Prioritization	Material Issues
Extremely important	1. Occupational health and safety
	2. Business ethics and compliance
	3. Decarbonization and renewable energy transition
	4. Energy efficiency and conservation management
	5. Risk management
	6. Spill prevention and response
	7. Diversity, inclusion and equal opportunities
Very important	8. Human capital development
	9. Waste management and circular economy practices
	10. Water and wastewater management
	11. Human rights
	12. Artificial Intelligence (AI), innovation and digital transformation
Important	13. Social impact and community development
	14. Supply chain management
	15. Preservation of natural and cultural sites



Our Sustainability Framework

Our sustainability framework provides a structured approach to embedding sustainability principles, practices, and considerations throughout our organization. We have updated this framework in line with the new materiality assessment conducted in 2024. It organizes our sustainability commitments and initiatives into three main focus areas, which are further divided into eleven key elements and additional sub-elements, all aligned with the relevant UN SDGs.



People and Society

- Occupational health and safety
- Human capital development
- Diversity, inclusion and equal opportunities
- Human rights
- Social impact and community development

Climate Actions

- Decarbonization and renewable energy transition
- Energy efficiency and conservation management
- Waste management and circular economy practices
- Spill prevention and response
- Water and wastewater management
- Preservation of natural and cultural sites

Corporate Governance and Operational Excellence

- Business ethics and compliance
- Risk management
- Artificial Intelligence (AI), innovation & digital transformation
- Supply chain management

Human capital development

Upholding best practices in human resources and workplace management, including recruitment, promotion, education, training, and career development, while fostering a culture that nurtures the growth and retention of top talent.

A Thriving Economy: Enhancing skills and education drives economic development.

UN SDG Alignment: 

Prioritization: Very important

Occupational health and safety

Providing a healthy and safe environment for all employees, reducing risks and hazards, preventing injuries, and promoting overall health, safety, and well-being.

A Vibrant Society: Prioritizing health and safety aligns with societal well being.

UN SDG Alignment:  

Prioritization: Extremely important



1 People and Society

Arabian Drilling recognizes that engaging with and supporting our employees, stakeholders, and the communities in which we operate is essential to building a successful and sustainable business. Our People and Society pillar encompasses these critical aspects, including occupational health and safety, human capital development, diversity, inclusion, and equal opportunities, as well as social impact, community development, and human rights.

Diversity, Inclusion, and Equal Opportunities

Cultivating a culture that welcomes, respects, and values individuals from all backgrounds, identities, and experiences. We ensure that everyone can fully participate and contribute within our workplace, free from discrimination based on race, color, age, religion, national origin, gender, or physical or mental disability.

A Vibrant Society: Promoting social inclusion and diversity enriches the community.

A Thriving Economy: Diverse workplace perspectives boost economic innovation.

UN SDG Alignment:   

Prioritization: Extremely important

Human Rights

Ensuring ethical labor practices, fair treatment, and respect for fundamental human rights across business operations.

A Vibrant Society: Social equity, inclusivity, and the protection of rights to create a thriving and fair society.

UN SDG Alignment:  

Prioritization: Extremely important

Social Impact and Community Development

Embedding social responsibility into our business operations and stakeholder interactions, while actively engaging in and positively contributing to the development of the communities where we operate.

A Vibrant Society: CSR and community initiatives enhance societal welfare.

UN SDG Alignment:  

Prioritization: Important

Decarbonization and Renewable Energy Transition

Reducing our carbon footprint by transforming how we engage in activities that generate greenhouse gas emissions. We are progressively implementing decarbonization technologies and developing plans to integrate renewable energy adoption and alternative fuel use.

A Thriving Economy: Reducing GHG emissions aligns with the Kingdom’s sustainable, diversified economic goals.

UN SDG Alignment:   **Prioritization:** Extremely important

Energy Efficiency and Conservation Management

Continuously enhancing our energy management practices for optimal efficiency, with a focus on optimizing energy usage, minimizing waste, and improving overall system efficiency.

A Vibrant Society: Optimizing energy use bolsters market competitiveness.

UN SDG Alignment:   **Prioritization:** Extremely important

Waste Management and Circular Economy Practices

Monitoring waste management processes to reduce waste generation and implementing sustainable disposal and recycling strategies to minimize environmental impact and enhance resource efficiency.

A Thriving Economy: Strategic waste management supports economic efficiency.

UN SDG Alignment:   **Prioritization:** Very important

Spill Prevention and Response

Taking proactive measures to prevent and manage hazardous spills, we safeguard ecosystems, public health, and operational safety.

A Thriving Economy: Spill prevention safeguards economic resources.

UN SDG Alignment:   **Prioritization:** Extremely Important

Water and Wastewater Management

Adopting an “every drop counts” approach to managing water consumption and maximizing efficiency, while ensuring responsible water use, treatment, and disposal to minimize environmental impact and ensure regulatory compliance.

An Ambitious Nation: Responsible water use aligns with environmental conservation goals.

A Thriving Economy: Water efficiency contributes to economic sustainability.

UN SDG Alignment:   **Prioritization:** Very important

Preservation of Natural and Cultural Sites

Taking proactive measures to protect, conserve, and support the health and diversity of natural systems and ecosystems that sustain all life.

A Vibrant Society: Protecting natural habitats enhances community living environments.

UN SDG Alignment:   **Prioritization:** Important

Business Ethics and Compliance

Setting the foundation for our business, the Code of Conduct defines our operational principles, core values, ethical behavior, corporate culture, and commitment to transparency and integrity, while ensuring compliance with all applicable laws and regulations.

An Ambitious Nation: Upholding ethical standards promotes transparency, and compliance with laws underscores regulatory adherence.

UN SDG Alignment:  **Prioritization:** Extremely important

3 Corporate Governance and Operational Excellence

Arabian Drilling is committed to upholding the highest standards of ethics and business practices, while driving operational excellence through innovation and technology. Strong corporate governance enhances risk management, transparency, and accountability, optimizing performance, strengthening stakeholder trust, and supporting long-term economic growth.

Our Corporate Governance and Operational Excellence pillar ensures the application of rigorous and robust standards and controls in areas such as business ethics and compliance, risk management, artificial intelligence (AI), innovation and digital transformation, and supply chain management.

Supply chain management

Optimizing procurement and supplier relationships to promote sustainable business practices, enhance efficiency, and ensure business continuity.

A Thriving Economy: Fostering strong partnerships to enhance resilience and sustainability in the business ecosystem.

UN SDG Alignment:  **Prioritization:** Important

Risk Management

Identifying, assessing, and mitigating business risks to strengthen resilience and ensure long-term stability. This includes monitoring and managing a wide range of organizational risks –operational, financial, legal, strategic, and security risks –such as financial uncertainty, legal liabilities, strategic errors, accidents, and natural disasters.

An Ambitious Nation: Strategic risk management ensures preparedness.

A Thriving Economy: Risk mitigation secures economic assets.

UN SDG Alignment:      **Prioritization:** Extremely important

UN SDG Alignment:     

Artificial Intelligence (AI), Innovation and Digital Transformation

Leveraging technology and innovation to improve efficiency, drive competitiveness, and strengthen economic performance. By integrating AI and digital solutions, we optimize resource utilization, improve decision-making, and create sustainable value, strengthening our economic performance in a dynamic and evolving market.

A Thriving Economy: Technological advancement, and increased competitiveness to drive sustainable growth and global leadership.

UN SDG Alignment:  **Prioritization:** Very important



Aligning to the Saudi Vision 2030 Initiatives

Saudi Vision 2030 Initiatives How Arabian Drilling Contributes



Saudi Green Initiative

We are committed to cutting carbon emissions to achieve the Net-Zero Target by 2050, enhancing environmental practices such as waste management and recycling, in alignment with Saudi Vision 2030. Our efforts focus on reducing energy consumption and CO₂ emissions, including initiatives to remotely monitor GHG emissions using engine efficiency tracking devices on rigs.



Quality of Life Program

As part of our support for the Quality of Life Program, which aims to position Saudi Arabia as a global hub for sports and entertainment, we actively sponsor the Saudi Arabian Athletics Federation and the Saudi Triathlon Federation.



Human Capability Development Program

We contribute to the **Human Capability Development Program**, which empowers Saudi citizens with skills for lifelong success. With a **Saudization rate of 68%**, we invest in initiatives that nurture and develop young Saudi talent, ensuring a skilled and capable workforce for the future.

2024 Performance Highlights

PEOPLE AND SOCIETY



930,547 hours of QHSE training, a **22%** increase from 2023



A significant milestone of **10 million** accident-free kilometers, an increase from 9.4 million in 2023



TRIF improved to **0.69**, down from 0.94 in 2023



6,846 Code of Conduct training sessions, a **64.5%** increase from 2023



Saudization rate increased to **68%**, up from 66.3% in 2023



CLIMATE ACTIONS



Published Arabian Drilling **Sustainability Policy**



Decarbonization Roadmap developed in 2024



Introduced the **Waste Management Plan**



Drilled the **first-ever Geothermal well** in the Middle East



Maintained **Zero Spills** for the third consecutive year



Introduced the **Water Conservation Action Plan**



CDP score improved to **C** in 2024 : (D- in 2023)



ESG Invest score improved to **60** in 2024 (49 in 2023)



CORPORATE GOVERNANCE AND OPERATIONAL EXCELLENCE



Deployed AI-powered Journey Management System on **639 vehicles**, improving road safety and driver monitoring



Launched the **Infinity Innovation Lab**, enhancing real-time rig performance and data analysis.



Fleet utilization rate reached **83.1%**



Rig Efficiency Index (REI) score of **94.3%**



Maintained an In-Kingdom Total Value Add (IKTVA) score of **73%**



Increased KSA market share (Aramco and KJO) to **19.1%**, up from 16.1% in 2023



Established Arabian Drilling **Knowledge Center**





People and Society

At Arabian Drilling, we actively prioritize the safety of everyone connected to our operations. We empower our team by providing top-tier tools, resources, education, and training. Understanding the tangible human impact of our activities, we are committed to respecting human rights. We are also dedicated to supporting the communities where we operate, as well as where our employees live, work, and enjoy life. Our initiatives are aligned with Saudi Vision 2030 and the UN SDGs, and we remain committed to supporting these important global frameworks.

Material Issues:

- Occupational health and safety
- Human capital development
- Diversity, inclusion and equal opportunities
- Human rights
- Social impact and community development



Saudi Vision 2030 Pillars:

- 📈 A Vibrant Society
- 🏡 A Thriving Economy

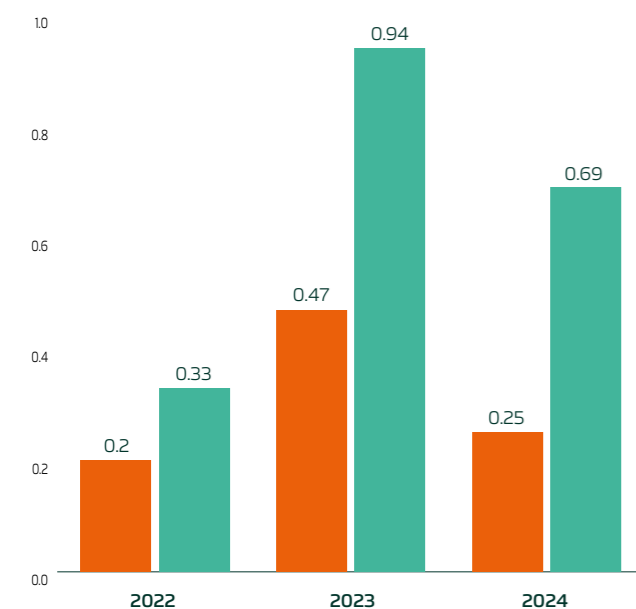
Occupational Health and Safety

Building a strong safety culture is critical to ensuring the protection, health, and wellbeing of our people and stakeholders. As we work toward being the region's leading drilling provider, our goal is to protect everyone and everything within our operations, as well as the environment and the communities where we operate.

To strengthen our safety governance and protect our employees, reputation, and assets, including machinery and resources, Arabian Drilling enforces a zero-tolerance policy toward violations of the International Association of Oil and Gas Producers (IOGP) Guidelines and quality, health, safety and environment (QHSE) standards. All employees are required to strictly comply with these standards.

All employees are covered by the health and safety management system, which has undergone internal audits. In 2024, we remain committed to strengthening our safety practices and further improving our safety record moving forward. We maintained a decrease in the TRIF from 0.94 in 2023 to 0.69. Major events that were investigated include 30% incidents of being "stuck by/ against" (hit by a moving object), 35% falls and trips, 20% incidents of being caught between objects, 5% unplanned release of energy, 5% caught on, and 5% due to tools or equipment failure.

QHSE Performance*

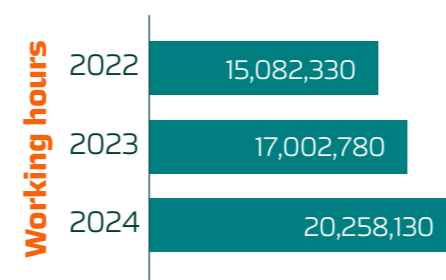


■ Lost date rate (LDR) (Rate**)

■ Total Recordable Injury frequency (TRIF)

*QHSE performance includes both employees and contractors.
 **Rate = Total numbers of recordable incidents / total man hours) x 1,000,000

TRIF decreased by 27% and LDR fell by 47%

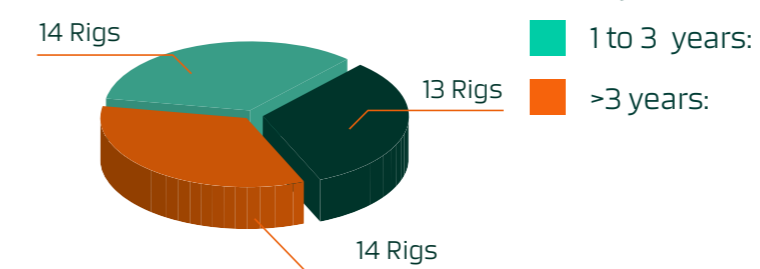


QHSE Performance*	Unit	2022	2023	2024
Automotive accidents rate (AARM – in miles)	Rate	0.15	0.22	0

Our Journey to Zero Accidents

Every year, we are committed to achieving zero accidents in all areas of our operations, including rig buildups, transportation, rigging-up at well sites, and spudding new rigs and wells. Our goal of zero accidents can only be realized through a united, relentless effort between our leadership teams and every individual in our workforce.

Years without recordable injury:



Best practise

10 million accident-free kilometers driven across our fleet of vehicles





Aramco Southern Area Drilling and Workover Operations Environmental Forum

Held in October 2024, the Arabian Drilling HSE and Sustainability Forum facilitated collaboration and the exchange of best practices aimed at proactively enhancing safety standards. As the Gold sponsor, we actively supported the event and showcased our sustainability initiatives at our booth, engaging with industry professionals and highlighting our commitment to HSE excellence and sustainable practices.

Best practise

Health and Safety Governance Principles

Our comprehensive QHSE policy establishes guiding principles for health and safety governance, ensuring full compliance with regulatory requirements and industry best practices.

With a prevention-first approach, we mitigate risks using various mechanisms such as safety management systems, training, regular risk assessments, and incident reporting. We also leverage both leading and lagging indicators to measure, monitor, and manage our progress, while proactively engaging stakeholders, particularly employees, in our safety practices.

The QHSE system is implemented to fulfill legal obligations and align with recognized risk management and management system standards and guidelines. These include:

- Arabian Drilling Safety Management System
- ISO 45001 (Occupational Health and Safety Management Systems)
- ISO 14001 (Environmental Management Systems)
- ISO 9001:2015 (Quality Management Systems - Requirements)
- International Association Drilling Contractors (IADC) HSE Case Guidelines for Land Drilling Units
- IADC HSE Case Guidelines for Offshore Drilling Contractors
- IOGP Guidelines
- The American Petroleum Institute (API) Recommendations
- The American Bureau of Shipping (ABS) requirements for offshore units
- The International Convention for the Safety of Life at Sea (SOLAS) requirements for offshore operations
- Local laws and regulations



Health and Safety Management System

We implement a comprehensive and proactive health and safety management system to prevent and mitigate occupational health and safety risks across all operations, products, services, and business relationships. We embed QHSE as a core value, ensuring it remains fundamental to our corporate objectives. Our structured approach focuses on key areas:



Commitment, Leadership, and Accountability: QHSE leadership is managed by line managers, who oversee safety implementation, prioritize resources for high-risk areas, and ensure QHSE measures are followed. Managers lead by example, foster a safety culture, and engage teams in QHSE initiatives, holding all employees accountable for compliance.



Policies and Objectives QHSE is a core value at Arabian Drilling, integral to achieving corporate goals. Our system aligns with local regulations, industry practices, and client needs, with policies documented in the QHSE manual and legal obligation register.



Organization and Resources: We allocate sufficient resources and personnel to implement QHSE measures effectively. Managers ensure a safe work environment and focus on high-risk areas, while training employees to proactively identify and report hazards.



Contractor and Supplier Management: Contractors and subcontractors are trained to understand and adhere to QHSE policies. Non-compliance by employees or third parties is addressed through Arabian Drilling's accountability matrix.



Risk Management: We proactively assess risks through Job Safety Analysis (JSA) and Hazard Analysis and Risk Control (HARC) to mitigate risks before activities begin. Supervisors conduct risk assessments for high-risk tasks, and risk control strategies are reviewed and reinforced during pre-job meetings.



Business Processes: Changes in operational procedures, equipment, and workforce undergo systematic evaluations to assess their QHSE impact. Modifications are reviewed through the Management of Change (MOC) process to ensure safety and compliance.



Performance Monitoring and Improvement: We conduct internal and external audits and client evaluations to ensure compliance with safety standards. Risks are tracked, and performance is evaluated against QHSE targets, with incident investigations used to identify corrective actions and improve safety practices.



Audits and Reviews Regular audits, both internal and external, monitor compliance with the QHSE management system. Performance is continuously reviewed, and risk registers and audit findings are used to ensure ongoing improvement and take corrective actions where needed.

Loss Prevention Teams

We integrate health and safety measures through Loss Prevention Teams (LPTs) at our operational sites and company locations. These teams are essential for creating a safe work environment by identifying, mitigating, and preventing risks.

Best practise

Employee Engagement and Participation

Employee engagement in safety practices plays a vital role in enhancing the effectiveness of our safety systems. We actively promote worker participation and open communication across various channels.



Development and Implementation: Employees, either directly or through representatives, contribute to hazard and risk identification during inspections and risk assessments. They also provide feedback on proposed safety policies, procedures, and work practices, and participate in safety committees to discuss concerns and propose solutions.



Evaluation and Improvement: Workers participate in the ongoing evaluation of the QHSE Management System by joining safety audits, reporting near misses and incidents, and suggesting safety procedure improvements based on their experiences.



Communication and Information Access: All workers have access to safety information and data online in the workplace.





Medical Services

Arabian Drilling prioritizes the health and well-being of its employees, offering both occupational and general health support. On-site medical care is available at each land and offshore rig clinic for immediate needs, while all employees are covered by comprehensive group health insurance for a range of non-occupational medical services.

Our Occupational Health Advisor leads health and safety initiatives, including health risk assessments and close collaboration with QHSE managers. We pre-qualify medical service providers to ensure they meet Arabian Drilling's strict standards and Saudi Aramco's guidelines.

Our medical unit also conducts regular audits and reviews to ensure quality assurance. All employee health data is kept confidential and securely stored in our access-controlled SAP system.

STRIVE

First Internal QHSE and Sustainability Platform launched in 2024

STRIVE: QHSE and Sustainability Online Platform

STRIVE, our inaugural QHSE and Sustainability Platform, marks a significant advancement in our commitment to enhancing health, safety, environmental, and sustainable practices.

STRIVE will serve as a transformative platform, centralizing and streamlining QHSE and sustainability initiatives, improving efficiency, compliance, and environmental stewardship across our organization.

With STRIVE, we aim to achieve:



Enhanced QHSE and Sustainability Management:

Centralized tools for monitoring, reporting, and process improvement.



Digitalization and Automation:

Reduced manual efforts and increased accuracy in managing critical workflows.



Data-Driven Decision-Making:

Real-time insights to facilitate proactive and informed decision-making.



Improved Compliance:

Streamlined adherence to industry standards and regulations.

Best practise



Health and Safety Training

Safety training is a cornerstone of our health and safety management approach. We provide both on-the-job and formal training to ensure all employees meet the required competencies for their roles. QHSE training is mandatory for all personnel on our drilling rigs. The key components of the training programs include:

- Minimum QHSE training including First Aid, Fatigue Management, Manual Handling, HSE induction.
- Technical training including Electronic Control system, Hydraulics, VFD, SCR, Top drive, ABB, Well Control, just to name few.
- Client-specific training including equipment operation, safety protocols, and emergency response procedures.
- Job-related QHSE training including International Organization for Standardization (ISO) Environmental Management System (EMS), Safety Management System (SMS), and Quality Management System (QMS) awareness for process owners.
- Offshore Mobile Unit Crew Training, ensuring compliance with Classification Society regulations, Safety of Life at Sea (SOLAS), and the International Convention on Standards of Training, Certification, and Watchkeeping for Seafarers (STCW) standards.

The total training hours for employees rose by 22.0% in 2024 compared to 2023, aligned with the growth in the total workforce.

Total Training Hours



Behavior Empowerment Center

In 2024, the Behavior Empowerment Center (BEC) played a pivotal role in Arabian Drilling's human performance initiative, applying principles of behavioral science. The BEC expanded into a multi-functional, proactive monitoring hub that supports both HSE and Service Quality. A notable achievement was the implementation of advanced AI technology across 9 pilot rigs, improving real-time data analysis.

BEC also delivered comprehensive situational awareness training and competency assessments, reaching over 65% of the targeted field personnel. The introduction of online interventions and real-time Stop Work Authority proved highly effective in identifying near misses that could lead to incidents if not addressed promptly.

Furthermore, the weekly BEC observer program provided focused coaching and mentorship to more than 200 employees, reinforcing a culture of continuous improvement.

Now

30 rigs are live streamed (60% of AD Fleet)

+500 CCTV Camera Online

+400 Situational Awareness Trainees

Planned

59 rigs to be added (100% of AD Fleet)

+1000 CCTV Camera Online

+600 Situational Awareness Trainees

Best practise



Human Capital Development

We are dedicated to supporting employee growth through comprehensive training and development programs, ensuring our team acquires the latest skills and knowledge to excel in their roles and meet industry standards. Currently, our workforce consists of 5,184 full-time employees, including both office and rig workers.

5,184 
full-time employees

Employee Headcount	Unit	2022		2023		2024	
		Male	Female	Male	Female	Male	Female
Full-Time Employees	Number	4,779		5,650		5,184	
By Gender	Number	4,710	69	5,572	78	5,098	86

New Hires	Unit	2022		2023		2024	
		Male	Female	Male	Female	Male	Female
Employees Hired	Number	1,134		1,694		775	
By Gender	Number	1,100	34	1,650	44	753	22
18-30	Number	689		753		600	
31-40	Number	283		386		104	
41-50	Number	124		158		53	
51+	Number	38		397		18	

Employee Turnover	Unit	2022		2023		2024	
		Male	Female	Male	Female	Male	Female
Employees Who Left the Organization	Number	525		830		870	
By Gender	Number	510	15	815	15	850	18
18-30	Number	297		480		425	
31-40	Number	114		194		184	
41-50	Number	75		104		153	
51+	Number	39		52		106	
Employee Turnover	Percentage (%)	11		14.7		16.8	





Employee Training and Capacity-Building

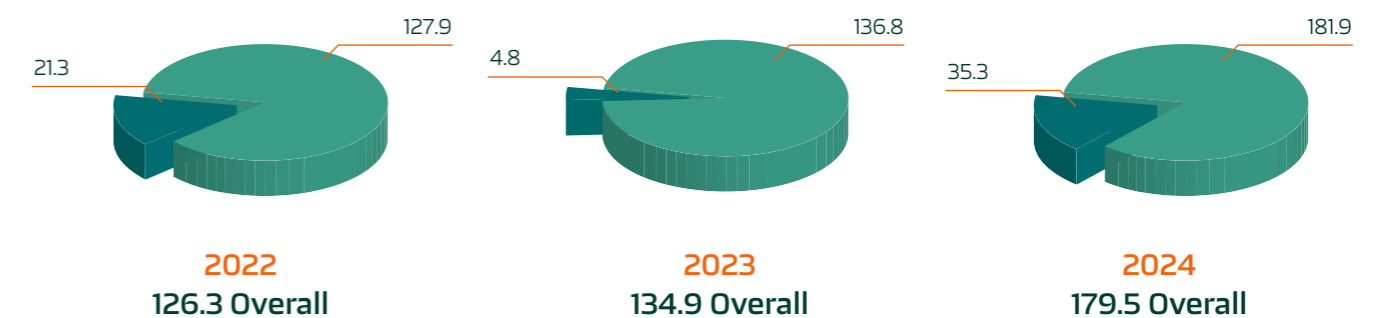
Our training program is comprehensive and designed to drive professional growth, equipping emerging leaders and employees at every career stage with the skills they need to succeed at Arabian Drilling. In addition to career planning and skills-based development, our capacity-building initiatives expose employees to working in dynamic, virtual, and multicultural teams. Every learning opportunity is strategically aligned with our company's goals and projects, forming a critical component of our strategy to cultivate a robust talent pipeline capable of meeting both present and future operational and leadership demands.

Employee concerns about our training practices are directly addressed in CEO roundtable meetings, and we take immediate action when needed.

In 2024, the overall average training hours reached 179.5 hours for employees. Notably, the training hours for female employees increased to 35.3 hours, up from 4.8 hours in 2023. In 2024, female employees received increased training hours through a variety of courses, including 5-day sessions on TapRoot Advanced, 4-day training on Rig Operators Crew Resource Management, and 3-day programs like HSE Induction. Additionally, 56 employees completed essential trainings such as H2S and First Aid, while 255 completed online courses covering cybersecurity and performance appraisals.

Average Training Hours (Number)

♂ Male employees ♀ Female employees



179.5 
 overall average training hours



Training Programs

Arabian Drilling Learning Academy (ADLA)

The Arabian Drilling Learning Academy (ADLA) is a state-of-the-art training center focused on delivering world-class education, training, and professional development for our employees and stakeholders.

ADLA has achieved several prestigious certifications, including ISO 9001:2015 and ISO 29993:2017 (Learning Services Outside Formal Education – Requirements for Service Providers), for providing technical, operational, and HSE learning services. It is also recognized as an approved training center by International Well Control Forum (IWCF), IADC WellSharp, IADC Drilling Industry Training Programs, and the Health and Safety Institute.

Innovation is central to our approach, with the introduction of virtual reality-based fire safety training, offshore crane operation simulators, and drilling & well control simulators, enhancing technical competency and providing immersive learning experiences. ADLA also partners with local schools to promote safety awareness, including firefighting simulation exercises for children.

Technical Development Program (TDP)

Our Technical Development Program (TDP) is a cornerstone of career advancement for engineers at Arabian Drilling. Tailored for recent engineering graduates, TDP equips participants with essential field skills and an in-depth understanding of both onshore and offshore rig operations. It also emphasizes the importance of interpersonal relationships in the high-pressure rig environment. The program provides exposure to both engineering and rig supervisor roles, fostering a collaborative mindset. Engineers are trained to be the critical link between the rig and external operations, with a strong focus on effective communication, hands-on engagement with rig personnel, and mastering rig routines.

The Saudi Arabian Drilling Academy (SADA)

Arabian Drilling is a key supporter of the Saudi Arabian Drilling Academy (SADA), a collaboration between Saudi Aramco, the Technical and Vocational Training Corporation (TVTC), and industry leaders. SADA offers a comprehensive three-year workforce development program for our employees, blending

education with hands-on experience to prepare them for leadership roles. Our Supervisor Development Program (SDP) also equips safety technicians and engineers with the expertise necessary to become permanent rig safety and training specialists.

Finance Internal Training Academy (FITA)

In 2023, we established the Finance Internal Training Academy (FITA) to develop employees' business finance expertise. Six impactful training sessions were held from May to November, and due to overwhelming positive feedback, the program will continue to evolve.

Competence Assurance Management System (CAMS)

Our Competence Assurance Management System (CAMS) sets the benchmark for onshore and offshore rig competence, ensuring that every employee possesses the critical skills and knowledge required to excel in their role. The system's comprehensive approach leverages a risk matrix to assess competence levels, overseeing all training and development activities to guarantee industry-leading operational performance.

CAMS employs a rigorous three-stage process to evaluate and elevate competency:

- **CAP 1 Training:** Supervisors assess rig crews' ability to safely and effectively perform their duties, with CAP 1 completion required before moving to CAP 2.
- **CAP 2 Assessments:** Employees undergo specific task assessments to evaluate technical proficiency, followed by the creation of an Individual Development Plan (IDP) to address areas of improvement.

- **CAP 3 Simulator Training:** Focused on high-risk positions, this stage uses simulators to test operational readiness, particularly for specialized operations and emergency scenarios, followed by personalized feedback and targeted IDPs.

In addition, Simulator Competence Assessments are essential in evaluating operational readiness and identifying employees with the potential for promotion, ensuring that our workforce is continuously prepared for leadership opportunities.

Trainings	Unit	2022		2023		2024	
		Training Sessions	Trainees	Training Sessions	Trainees	Training Sessions	Trainees
Technical training	Number	385	1,467	310	1,264	640	1,829
Marine training	Number	335	1,179	498	3,912	214	596
HSE training	Number	13,347	64,339	10,717	41,199	12,569	55,389
Mechanical lifting	Number	1,159	4,886	1,025	4,227	1,393	5,263
Soft skills	Number	47	816	68	904	38	788

Performance Review and Leadership Development

We conduct regular performance and career development reviews to ensure the long-term success of each employee, providing valuable insights into strengths and areas for growth.

These reviews are closely integrated with our leadership development program, which helps emerging leaders gain strategic insights, refine decision-making, and develop interpersonal skills. By aligning performance feedback with targeted leadership development, we prepare high-potential individuals for key roles, reinforcing our "promote from within" philosophy and supporting organizational stability and growth.

Performance and Career Development Reviews (Number)

Performance and Career Development Reviews	Unit	2022	2023	2024
Employees	Number	4,310	4,072	5,619*
Middle management employees	Number	180	205	254
Senior management employees	Number	9	13	26

Empowering Performance Improvement

Employee performance reviews integrate professional development and skill-building through Individual Development Plans (IDPs). Our talent department works closely with rig department heads to ensure training and development align with IDP needs.

FARES Career Development

The FARES program supports graduate-level staff by assessing their skills and broadening their awareness of our company's functions, helping them develop a clear, personalized career path at Arabian Drilling.

100%  
of employees and executives received performance reviews.

*The total number of employees is 5184; however, the recorded employee count is 5,619 due to the inclusion of employees who were appraised but left the company thereafter.

Employee Satisfaction

With a retention rate of 83.2% in 2024, we continue to prioritize employee engagement through a variety of strategic initiatives. To further enhance engagement, our Employee Services Department implements strategic initiatives such as data management systems, technical assessments, career programs, and field visits. We also encourage self-assessments, 360 surveys, and the use of Tayseer for improved efficiency. Regular engagement surveys and our 24/7 ethics hotline ensure continuous feedback and open communication.

Employee Grievances

Arabian Drilling is dedicated to ensuring fair treatment and providing employees with a clear process for raising grievances. Our policy allows employees to submit complaints in writing to HR and their supervisor, with the goal of resolving issues swiftly. If unresolved, complaints escalate to a grievance, addressed through up to three hearings with the department manager, supervisors, and HR, following the HR code of conduct and accountability matrix.



Employee Benefits

Arabian Drilling provides a comprehensive benefits package that aligns with industry standards and local regulations. Our employee remuneration is performance-based and in compliance with applicable regulations, offering benefits that support employee well-being and create a positive work environment.

These include insurance, retirement provisions, rewards, and allowances, while ensuring adherence to the General Organization for Social Insurance (GOSI) minimum wage standard. Key benefits we offer include:

- Competitive base pay
- Housing, transportation, travel, mobile, cyber, food, and other special allowances
- Awards and recognition, including performance, seniority, and service quality awards
- Bonuses for offshore staff, remote area employees, and safety performance
- Life insurance, healthcare, disability coverage, and parental leave
- Retirement provisions, including End of Service benefits in accordance with Saudi Labor Law, with GOSI coverage for Saudi employees

Diversity, Inclusion and Equal Opportunities

Arabian Drilling fosters a workplace that values diversity and inclusion, ensuring respect for individual differences. We actively promote diversity in hiring, training, and career advancement, creating a supportive environment where all employees can thrive.

Upholding strict non-discrimination policies, including the Arabian Drilling Code of Conduct, our internal HR policy, relevant labor laws, and our HR manual, we guarantee fair and equitable treatment for all, fostering a culture of respect and inclusion.

In line with our commitment to equal compensation and addressing gender-based salary disparities, Arabian

Drilling maintains gender pay equity by ensuring a consistent 1:1 ratio of basic salary and remuneration for both men and women across all employee categories.



Board Diversity

Arabian Drilling's Board of Directors consists of a mix of Saudi and non-Saudi members. We remain committed to fostering diversity and inclusion, with a focus on increasing female representation on the Board in the future.

Diversity of Board of Directors		2022		2023		2024	
	Unit	Male	Female	Male	Female	Male	Female
By gender							
By gender	Number	6	1	8	1	8	1
By age							
<30 Years Old	Number	0		0		0	
30-50 Years Old	Number	6		1		1	
50+ Years Old	Number	1		8		8	
Saudization							
Saudi	Number	3		3		3	
Non-Saudi	Number	4		6		6	
Independence of Board Members							
Independent	Number	1		2		3	
Non-independent	Number	6		7		6	

Saudization

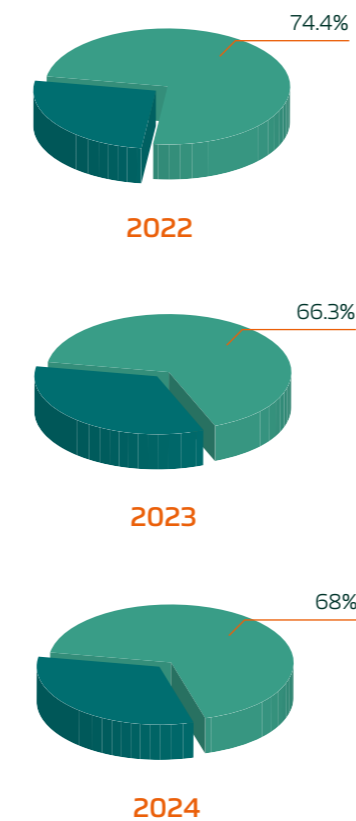
We are dedicated to attracting, supporting, and retaining Saudi talent through effective recruitment, comprehensive training, competitive compensation, and strong employee engagement.

In addition to recruitment, we are committed to the growth and development of Saudi nationals in technical and support roles, which benefits both our organization and the local economy.

In 2024, Saudi employees represented 68% of our workforce, and this focus on developing local talent is integral to our growth strategy, supporting Saudi Vision 2030.

Saudization

 Saudi employees (%)



Parental Leave

All employees who took parental leave have successfully returned to their roles.

Parental Leave	Unit	2022		2023		2024	
		Male	Female	Male	Female	Male	Female
Employees that were entitled to parental leave	Number	2,710	14	3,388	15	3,284	20
Employees that took parental leave	Number	147	0	157	3	178	1
Employees who returned to work after parental leave ended	Number	147	0	157	3	177	1
Employees who returned from parental leave who were still employed twelve months after returning to work (retention)	Number	147	0	157	3	169	1

Human Rights

Arabian Drilling is committed to ensuring ethical labor practices, fair treatment, and respect for fundamental human rights throughout all aspects of our business operations.

Upholding strict non-discrimination policies, we adhere to the Arabian Drilling Code of Conduct, our internal HR manual, and relevant labor laws, including those set forth by the Saudi Ministry of Human Resources and Social Development and international labor standards. By consistently aligning our practices with these regulations, we ensure that all employees are treated equitably, fostering a culture of respect, inclusion, and fairness across the organization.

Social Impact & Community Development

We actively engage in corporate social responsibility (CSR) initiatives that positively impact local communities.

In 2024, Arabian Drilling's CSR efforts focused on talent development, environmental awareness, and sports, aligned with Saudi Arabia's Vision 2030. In 2024, we invested \$1,680,000 in community initiatives, with 15 volunteers contributing 100 hours.

Education and Talent Development

- We organized a career fair at King Fahd University of Petroleum and Minerals to attract fresh talent and hire newly graduated students. Additionally, we hosted the Asharqia Chamber Job Fair, further supporting local talent development.

- We allocated \$600,000 for training initiatives aimed at students and the broader community, reinforcing our commitment to education and sustainable development.
- A contribution of \$170,000 was donated to support projects like orphanage and Science Week initiatives.

Environmental Responsibility

- We invested \$800,000 in sustainable solutions at rig sites, such as LED Crown lights and solar-powered tower lights.
- We sponsored the Drilling and Workover Operations Environmental Forum, reinforcing our dedication to sustainable business practices.
- We contributed \$10,000 towards

the Aramco Abqaiq School Environmental Awareness Campaign, which covered topics such as fire safety, swimming pool safety, the plastic pandemic, and the importance of protecting the planet.

- In collaboration with Al Khafji Municipality and Al Khafji Joint Operations Company (KJO), Arabian Drilling organized a beach cleaning campaign, where employees from our Khafji base actively participated.

Sports and Community Engagement

- \$100,000 was donated to the Al Sharqiya International Race 26 in Khobar, supporting this premier athletic event that promotes fitness and community engagement.



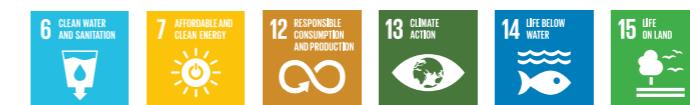
Climate Actions

Climate change presents both challenges and opportunities for Arabian Drilling, shaping the way we operate and interact with our stakeholders. As an industry leader, we recognize our responsibility to minimize environmental impact while ensuring operational resilience and long-term sustainability. Our commitment extends beyond compliance, focusing on integrating innovative solutions, optimizing resource use, and enhancing environmental performance across all aspects of our business.

In 2024, Arabian Drilling developed a comprehensive Decarbonization Roadmap, setting a clear pathway toward achieving Net Zero emissions while strengthening environmental management. As part of this effort, we introduced the Water Conservation Action Plan and the Waste Management Plan, ensuring a structured approach to water efficiency, waste reduction, and resource optimization. These initiatives align with Saudi Vision 2030, the Kingdom's 2060 Net Zero target, and key UN Sustainable Development Goals (SDGs), reinforcing our commitment to a sustainable and responsible future.

Material Issues:

- Decarbonization and renewable energy transition
- Energy efficiency and conservation management
- Waste management and circular economy practices
- Spill prevention and response
- Water and wastewater management
- Preservation of natural and cultural sites



Saudi Vision 2030 Pillars:

- A Vibrant Society
- A Thriving Economy
- An Ambitious Nation

We established the Decarbonization Roadmap in 2024.

Environmental Management Approach

At Arabian Drilling, we recognize that environmental stewardship is fundamental to our long-term success. Our Environmental Management Plan (EMP) provides a structured framework to ensure our operations align with regulatory requirements, sustainability commitments, and industry best practices.

We hold ISO 14001 certification, demonstrating the effectiveness of our environmental management system, policies, and operational controls in aligning with international environmental standards since 2023. Through continuous assessment, targeted initiatives, and a commitment to innovation, we drive environmental performance improvements across all areas of our operations.

The EMP sets clear objectives, controls, and performance indicators to manage and reduce environmental impact. The key components include:

- **Identifying Environmental Aspects:** We systematically assess all activities, products, and services with potential environmental impact to prioritize areas for improvement.

- **Setting Objectives and Targets:** We define SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) goals focused on reducing energy consumption, optimizing water use, and minimizing waste generation.
- **Developing Operational Controls:** We implement clear procedures, best-in-class technologies, and resource optimization strategies to meet our environmental objectives. Employee training ensures compliance and reinforces environmentally responsible practices.

- **Monitoring and Measurement:** We use data-driven tracking systems to measure environmental performance, allowing for real-time

progress assessment and identification of further improvement opportunities.

- **Auditing and Continuous Improvement:** Regular environmental audits evaluate the effectiveness of our EMP, ensuring compliance and driving continuous enhancements in sustainability performance.

Maintained **100%** regulatory compliance 

40 Environmental Audits conducted 

CDP Score

We participate in the Carbon Disclosure Project (CDP) to enhance transparency and track progress in climate-related disclosures. In 2024, our CDP score improved from D- to C, reflecting strengthened emissions reporting, environmental management practices, and sustainability initiatives.

Best practise



Improved CDP score from **D- to C**

Environmental Compliance and Governance

Arabian Drilling is committed to upholding the highest environmental standards and ensuring full compliance with all local and international environmental regulations.

In 2024, we conducted 40 environmental audits across our fleet, operational bases, and offices, reinforcing strict adherence to environmental laws. We maintained 100% regulatory compliance, with no fines or penalties issued for non-compliance.

Beyond regulatory adherence, we integrate environmental risk management into our operations through safe work procedures, subcontractor oversight, and ongoing management reviews.

By proactively monitoring environmental performance and continuously refining our policies, we uphold our commitment to environmental responsibility while ensuring a safe and sustainable working environment for employees and stakeholders.

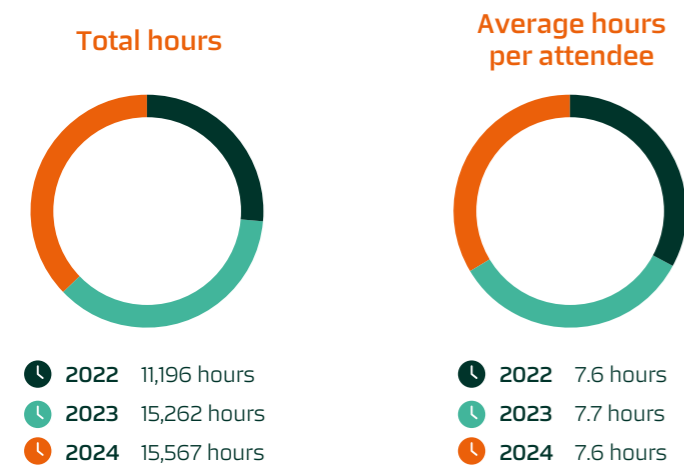


Achilles Sustainability Score: **58**

Environmental Training and Awareness

To drive environmental responsibility across our workforce, we continuously invest in training programs. In 2024, we delivered 7.7 hours of environmental training per attendee, equipping employees, contractors, and suppliers with the knowledge to actively contribute to sustainability initiatives.

Environmental Training (Hours)



Increased ESG Invest score to **60** in 2024 from **49** in 2023

Decarbonization and Renewable Energy Transition

Arabian Drilling accelerates its transition to a low-carbon future through a strategic energy management and decarbonization plans. The Decarbonization Roadmap reshapes how energy consumption and greenhouse gas (GHG) emissions are managed, integrating advanced energy solutions, alternative fuels, and operational efficiency improvements to drive meaningful reductions.

Arabian Drilling remains committed to achieving Net Zero Scope 1 and 2 emissions by 2050 as outlined in our Decarbonization Roadmap, aligning with Saudi Arabia's Net Zero target. In 2024, we conducted a feasibility reassessment, updated stakeholder engagement, updated external and internal regulatory requirements, and recalibrated our GHG baselining to ensure that our emissions reduction approach is data-driven and aligned with operational realities.

Following this assessment, we are removing interim reduction targets while maintaining our long-term Net Zero commitment due to:

- **Feasibility Recalculation:** A reassessment of our emissions reduction capabilities has indicated that our previous interim targets require

- **Contractual Considerations for Emissions Reduction:** We are collaborating with our clients to address contract constraints, as implementing green and renewable solutions that enhance emissions performance requires contractual amendments.
- **Updated Stakeholder Requirements:** The evolving expectations of internal and external stakeholders have necessitated a review of how our targets align with sustainability commitments.
- **Updated External and Internal Regulatory Requirements:** A study on the current regulatory landscape has also been conducted to proactively ensure that Arabian Drilling is aligned and, most importantly, prepared for

- **Recovery Strategy:** A structured plan of action is in place to future reduction milestones based on updated GHG baselining (incorporating Scope 1 and 2 emissions), operational insights, and sustainability objectives.
- We will continue to define and implement revised emissions reduction targets using the latest GHG data, stakeholder feedback, and industry best practices, ensuring that future goals remain practical, transparent, and aligned with our Net Zero commitment.

Achieve net-zero Scope 1 and 2 by **2050**



Energy Consumption

Electricity consumption decreased by 12% in 2024 compared to 2023, driven by the implementation of energy efficiency management in the Head Office and ADLA, along with the transition of reducing our footprint for the facilities in 2024.

Energy Consumption	Unit	2022	2023	2024
Electricity consumption	kWh	5,296,475	7,262,879	6,415,185
Fuel consumption from vehicles**	Liters	3,786,061*	4,690,298*	6,216,063
Total fuel consumed by off-road equipment, including stationary rigs, generators and mounted equipment*	Liters	106,567,880*	129,469,241*	130,020,711
Total fuel consumption*	Liters	110,353,941	134,159,539	136,236,774
Rig count (active rigs)	Number	44	48	49

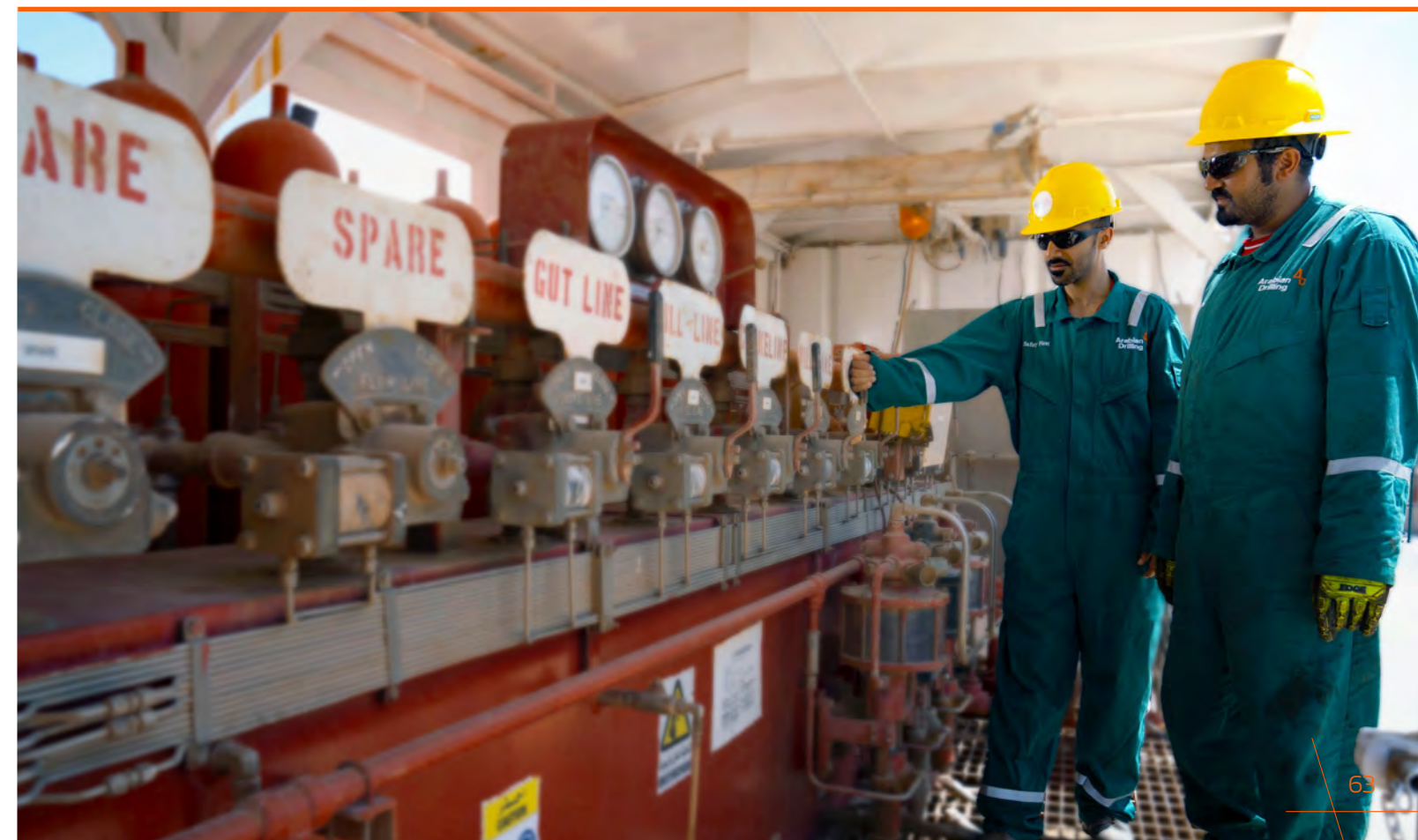
*2022 and 2023 data have been slightly adjusted based on emission distribution, with heavy vehicles and rig move trucks now categorized separately from other emissions.
 **Vehicles include rig movers, such as trucks, pickups, and all company vehicles.

GHG Emissions	Unit	2022	2023	2024
Direct GHG emission (Scope 1)	Metric tons of CO ₂ e	298,372	362,714	368,215
Indirect GHG emissions (Scope 2)	Metric tons of CO ₂ e	3,013	4,132	3,650
Total GHG emissions	Metric tons of CO ₂ e	301,386	366,846	371,866
Overall emission intensity per drilling day	Metric tons of CO ₂ e	19.49	21.29	22.69*
Rig count (active rigs)	Number	44	48	49

*Emission intensity increased by 7% in 2024 due to the startup of 10 new land rigs, which included mobilization and rig-up at the locations, where additional resources were assigned during the project handover phase.

Power Management

60% of the Offshore rigs are equipped with Power Management System

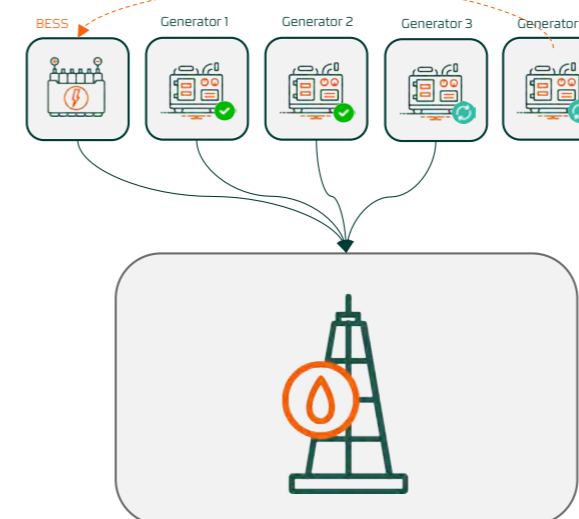


Decarbonization Roadmap

Our Decarbonization Roadmap defines decarbonization plans that integrate renewable energy adoption, alternative fuel use, and carbon capture technologies to achieve long-term emissions reduction goals. The roadmap is structured for the long-term implementation of decarbonization technologies, with key initiatives planned for beyond 2030, ensuring continuous progress in energy efficiency and operational resilience.

- **Solar Energy Deployment:** Solar photovoltaic (PV) systems are being expanded across rig camps and operational facilities to reduce reliance on diesel generators. Feasibility studies are also exploring floating solar PV technology for offshore energy generation.
- **Battery Energy Storage Systems (BESS):** Advanced BESS technology is integrated into power management systems to optimize generator load, stabilize energy demand, and improve fuel efficiency across land and offshore rigs.
- **Intelligent Power Management:** A real-time intelligent power management system (IPMS) dynamically adjusts power demand, ensuring optimal energy distribution while minimizing fuel consumption.
- **Fuel Diversification and Efficiency:** Arabian Drilling is transitioning to a multi-fuel approach, integrating biofuels, green methanol, hydrogen fuel cells, and compressed natural gas (CNG) engines to progressively reduce carbon intensity.
- **Carbon Capture and Utilization (CCUS):** The roadmap includes Carbon Capture and Storage (CCU) which can eliminate 99% of the CO₂ from the emissions produced by the Diesel generators.

BESS units to cut fuel consumption by **15%** per rig



Battery Energy Storage System – (BESS) for Diesel Reduction

Arabian Drilling plans to deploy BESS to replace 1,200KW diesel generator as first trial, to optimize the fuel consumption and emissions. Each BESS unit is expected to cut diesel use by 15% per rig, saving 300,000 liters of fuel and 810 metric tons of CO2e emissions annually per rig. The first BESS trial is in progress, and the second is planned for Q2 2025.

Best practise

Start-up of 10 Unconventional Gas Rigs

The successful start-up of 10 unconventional gas rigs has reinforced Arabian Drilling's role in energy transition and decarbonization. These rigs support the expansion of the Kingdom's gas reserves, offering a lower-carbon alternative to conventional diesel-powered operations. Additionally, shorter rig moves and integrated skidding systems reduce reliance on trucks, cranes, and heavy transport equipment, further minimizing fuel consumption and emissions while enhancing operational efficiency.

Best practise

Energy Efficiency and Conservation Management

Energy efficiency remains central to Arabian Drilling's operational sustainability, with a focus on optimizing energy use, reducing waste, and improving system-wide efficiency through the adoption of advanced technologies.

- Intelligent Power Management System.** IPMS: Generators operate closer to peak efficiency, reducing fuel waste while maintaining a stable power supply.
- Lighting and Energy Conservation:** Motion-sensor lighting and automated power-saving mechanisms are installed at corporate facilities to minimize electricity consumption.
- Solar-Powered Infrastructure:** Offices, training centers, and rig camps integrate solar-powered systems, reducing reliance on conventional grid electricity.

Alternative Fuels and Clean Energy Transition

Arabian Drilling is reducing reliance on fossil fuels by integrating alternative fuels and clean energy into operations. The fuel reduction plans focus on gradual adoption of biofuels, CNG engines with methane slip reduction, and green energy solutions to lower emissions.

- Fuel Efficiency Improvements:** CNG engines and biofuels will be introduced as viable alternatives to conventional fuels.
- Energy Transition for Rigs:** Battery Energy Storage Systems (BESS) and Low Diesel Supply Systems (LDSS) will be phased into land and offshore rigs to improve fuel efficiency.
- Solar Power for Rig Camps:** Solar Daytime Independent Systems to transition camps to renewable energy.
- Green Energy Adoption:** A progressive shift to green energy is underway, gradually reducing diesel consumption across rigs, vehicles, and offshore operations. This transition enhances

energy efficiency, lowers emissions, and aligns with long-term sustainability commitments while ensuring operational reliability.

56,000
litres of diesel savings in 2024



Crown Lights

At Arabian Drilling, we replaced diesel-powered tower lights with LED Crown lights on four rigs. This eliminated the need for separate tower lighting, reducing fuel consumption while maintaining effective illumination. The installation has resulted in measurable energy efficiency improvements across our rig operations.

This initiative has led to 56,000 liters of diesel savings in 2024, reducing 152 metric tons of CO₂e emissions. It has also eliminated diesel-powered tower lights, cutting fuel costs and energy waste while improving visibility and operational safety without additional fuel consumption.

Best practise

Solar Tower Lights

To further reduce diesel use, we introduced solar-powered tower lights at one rig, replacing traditional diesel-based lighting. These solar lights feature a three-day battery backup, ensuring uninterrupted nighttime illumination without relying on fuel. This initiative supports our transition toward sustainable rig operations.

Best practise

Solar-Powered Rig Camp

We conducted a six-month trial of a 50KW solar power system at a land rig main camp, integrating it into our existing power supply. The trial successfully reduced fuel consumption while maintaining a stable energy supply, demonstrating the feasibility of solar power for rig camp operations.

As a result, we achieved a 19% reduction in diesel consumption, generating 46,000 kWh of clean energy and avoiding 37 metric tons of CO₂e emissions.

The success of this trial provides a scalable model for broader solar energy adoption in future projects, with plans to enhance the system to 330KW, aiming to reduce emissions by 70–75%.

Best practise

46,000
KWH of
green
energy
produced
in 2024



Waste Management and Circular Economy Practices

Tackling the increasing accumulation of landfill waste is a global priority in addressing climate change. At Arabian Drilling, most of our solid waste is generated at base camps and rig locations, making these areas our primary focus for waste reduction, recycling, and responsible disposal.

Our Waste Management Plan, created in 2024, outlines a structured approach to waste minimization and resource efficiency, ensuring compliance with Saudi environmental regulations and international standards such as MARPOL (International Convention for the Prevention of Pollution from Ships). These efforts are integrated into our Environmental Management Plan (EMP) and Health, Safety, Environment, and Quality (HSEQ) standards, reinforcing our commitment to operating in an environmentally responsible manner. As part of this commitment, we have set a target to reduce waste by 5% across all operations in 2025 compared to 2024, driving continuous improvements in waste reduction and sustainable resource management.

We created the waste management framework in 2024



Our Approach to Waste Management

In 2024, Arabian Drilling expanded its waste management initiatives, introducing new programs that enhance waste segregation, data tracking, and compliance auditing. Our Waste Management Plan is built on several key pillars:

- **Enhancing Waste Segregation and Recycling:** Arabian Drilling has implemented comprehensive waste segregation programs across all facilities. Our teams ensure that non-hazardous, hazardous, and recyclable waste is properly categorized and stored in color-coded containers, reducing landfill dependency.
- **Ensuring Compliance and Tracking:** We actively monitor and document all waste disposal activities using waste manifests and advanced tracking systems such as the QUEST platform and Safety Net System. These tools help us maintain

visibility across our operations and support data-driven decision-making.

- **Strengthening Site Inspections and Compliance Audits:** Our teams conduct routine waste management inspections at rig locations and designated waste collection areas to assess compliance with EMP waste handling procedures and identify areas for improvement.
- **Expanding Employee Training and Awareness:** Arabian Drilling actively promotes waste reduction awareness among employees. We conduct regular training sessions, internal workshops, and awareness campaigns to ensure all personnel understand proper waste disposal protocols and their role in reducing our environmental footprint.

- **Collaborating with Suppliers and Contractors:** We work closely with waste subcontractors and technology providers to improve recycling efficiency, minimize packaging waste, and enhance disposal practices. Our teams also engage with suppliers to reduce unnecessary material consumption and explore sustainable alternatives.
- **Enhancing Performance Monitoring and Reporting:** In 2025, we plan to track KPIs such as total waste generated tracks KPIs such as total waste generated, disposal costs, and waste per drilling day to ensure continuous improvements in waste management. Our leadership dashboards and internal audits provide real-time insights into waste reduction progress and regulatory compliance.

Hazardous Waste Management

Arabian Drilling ensures that all hazardous waste is handled in accordance with our Waste Management Plan, prioritizing safety, compliance, and environmental stewardship. Our approach includes:

- **100% Recycling of Hazardous Waste Oil:** For over 10 years, Arabian Drilling has successfully recycled all hazardous waste oil through an approved waste management vendor. This initiative

significantly reduces environmental risks while supporting circular economy practices.

- **Eliminating Underground Storage Risks:** Arabian Drilling does not use underground storage tanks for petroleum or hazardous substances. By avoiding underground storage, we eliminate potential contamination risks and ensure safe handling of all hazardous materials.

- **Employing Certified Waste Disposal Practices:** We partner with licensed third-party contractors to handle hazardous materials, including used oil, chemicals, and contaminated waste. These materials are processed using approved recovery, treatment, and disposal methods, ensuring full regulatory compliance.

Waste Management

Waste Management	Unit	2022	2023	2024
Total hazardous weight of waste diverted from disposal	Tons	NA	56	59
Landfilling	Tons	3,170	3,321	3,384

Spill Prevention and Response

We enforce strict spill prevention measures to protect marine ecosystems and coastal communities. Our offshore rigs operate under zero-discharge policies, complying with International Maritime Organization (IMO) regulations for oily water and sewage treatment. We conduct regular infrastructure inspections and maintenance to prevent leaks, while fuel transfer operations are closely monitored to reduce spill risks.

To ensure rapid response, we maintain Ship Oil Spill Emergency Plans (SOPEP) on all offshore rigs and conduct routine spill response drills. Our

crews receive specialized training in spill containment, personal protective equipment (PPE) use, and hazard communication, ensuring swift action in emergencies. We also conduct routine water quality monitoring through third-party laboratories to detect potential risks early.

We have maintained zero spills for three consecutive years, demonstrating our commitment to environmental protection. Our comprehensive spill and emergency preparedness program includes:

- Emergency Response Plans (ERPs) that define roles, communication protocols, and procedures for spills,

fires, and natural disasters.

- Scenario-Based Contingency Planning, with regular risk assessments and drills to enhance response readiness.
- Ongoing Employee Training in spill containment, emergency response, and first aid to ensure operational safety.

Through proactive prevention and rigorous training, we ensure that every employee plays a role in protecting the marine environment while maintaining operational integrity.

ZERO 
Spills for the third consecutive year achieved by Arabian Drilling



Best practise

Zero Discharge System

In 2024, Arabian Drilling implemented a Zero Discharge System at one of its rigs to enhance waste management and environmental protection during drilling operations. This system ensures that all solid and liquid waste is properly managed, contained, and disposed of in compliance with government regulations and client environmental procedures. The Cuttings Management Process plays a crucial role in minimizing environmental impact by controlling how drilling waste is handled, stored, and transported.

The process includes:

- **Waste Containment and Prevention:** Geomembrane linings are installed in waste storage areas, sewage water pits, and spill-prone locations to prevent soil and groundwater contamination.
- **Efficient Waste Extraction:** Cuttings are separated using shakers, mud cleaners, and centrifuges, ensuring minimal waste generation during drilling operations.
- **Secure Storage and Handling:** Solids and liquids are stored in skips, pits, and tanks, with proper containment measures to prevent leaks and spills.
- **Safe Waste Transportation and Traceability:** Waste is transported using augers, conveyors, and vacuum trucks, with waste manifests ensuring full traceability from generation to final disposal.
- **Spill Prevention and Response:** Spill kits, secondary containment trays, and vacuum trucks are deployed at critical locations for rapid spill mitigation.
- **Regulated Final Disposal:** Waste is processed and disposed of at approved government facilities, ensuring full compliance with environmental regulations.

Water and Wastewater Management

Operating in one of the world's most water-scarce regions, Arabian Drilling recognizes that efficient water management is not just an environmental responsibility but a fundamental business imperative. With increasing pressure on water resources due to climate change, industrial demand, and population growth, securing sustainable water usage is critical to our long-term operational resilience.

In 2024, we developed the Water Conservation Action Plan, which serves as the foundation of our approach,

outlining structured strategies for monitoring, optimizing, and conserving water across all operations. This framework aligns with Saudi Arabia's Water Law 2020, Saudi Vision 2030, and our Environmental Management Plan (EMP), ensuring compliance with national regulations while integrating international best practices in water efficiency and stewardship.

To strengthen our commitment, we have set a target to reduce water consumption by 5% across all operations in 2025 compared to 2024,

actively working to improve wastewater treatment, ensuring efficient water use across our facilities, rigs, and supply chain.

2024 
water conservation action plan developed



Our Approach to Water Management

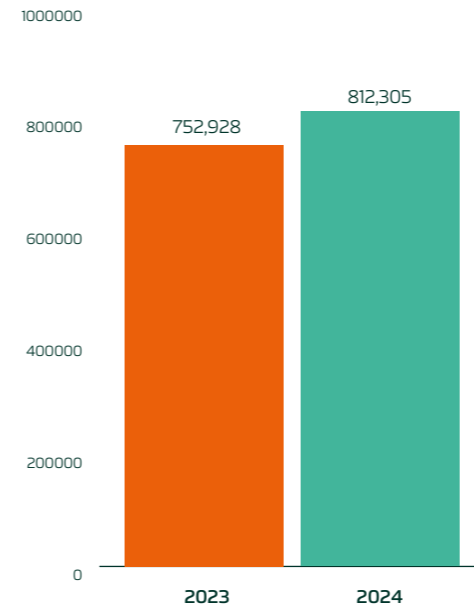
Arabian Drilling takes a data-driven and preventive approach to water conservation, consumption optimization, and wastewater treatment. The Water Conservation Action Plan establishes a structured methodology for measuring, reducing, and efficiently managing water usage across all operational areas, particularly at rig sites and land operations, where water demand is highest.

Our key initiatives include:

- **Water Consumption Monitoring and Data Management:** Arabian drilling plans to install flow meters at kitchens, laundries, toilets, general cleaning, and machinery systems to track water usage. Regular water audits are conducted to identify overconsumption and implement corrective measures.
- **Water-Efficient Equipment and Infrastructure:** Our plan is to install Saudi Arabian Standards Organization (SASO)-approved water-efficient fittings at all water usage points. High-efficiency toilets, urinals, aerators, and sensor-based water systems to be deployed to reduce unnecessary water use.
- **Water Source Optimization:** Our company ensures water sourcing aligns with Saudi Water Law 2020 and regulatory guidelines. Desalination systems are used for offshore rigs to minimize reliance on external supply.
- **Leak Detection and Waste Reduction:** We implement systematic leakage detection and repair programs to prevent water losses. Water pressure and flow rates are monitored to optimize efficiency and minimize unnecessary consumption.
- **Water Recycling and Reuse:** Arabian Drilling collects and reuses clean wash water where appropriate to reduce fresh water demand. Condensate water from air-conditioning systems on offshore rigs is captured for reuse in non-potable applications.
- **Employee Engagement and Awareness:** Arabian Drilling conducts training programs and awareness campaigns to promote water conservation behaviors. Employees are engaged in reporting leaks and optimizing water use in daily operations.
- **Benchmarking and Performance Tracking:** We will establish KPIs for water intensity per rig and per person to track improvements. Internal water data is compared with industry benchmarks to set realistic and achievable reduction targets.

Water Consumption

 Total water consumption (kiloliters)



Preservation of Natural and Cultural Sites

We assess and implement measures to protect local natural and cultural sites, reinforcing our commitment to environmental conservation. By safeguarding these sites, we support ecosystem integrity, cultural heritage, and community well-being, ensuring that our operations align with sustainable development principles.





Corporate Governance and Operational Excellence

Arabian Drilling is a key player in Saudi Arabia's oil industry, with strong corporate governance underpinning our role as a leading contributor to the nation's economic growth. We uphold the highest standards of business ethics, transparency, and management in line with our vision, mission, and values. By integrating governance best practices with innovation and technology, we drive sustainable financial performance, operational excellence, and long-term value creation while supporting Saudi Vision 2030 and the UN SDGs.

Material Issues:

- Business ethics and compliance
- Risk management
- Artificial Intelligence, innovation and digital transformation
- Supply chain management



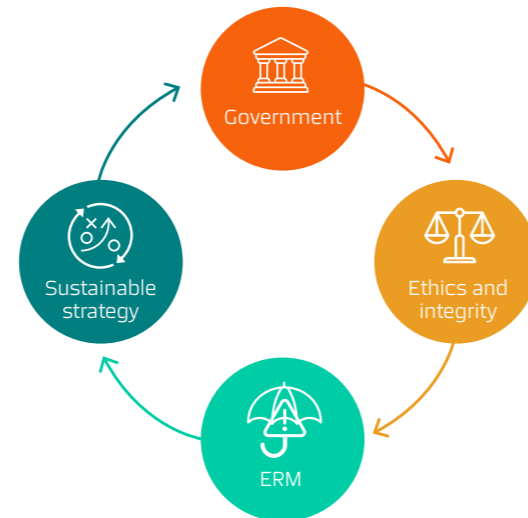
Saudi Vision 2030 Pillars:

- ↗ A Thriving Economy
- 🇸🇦 An Ambitious Nation

Governance Structure

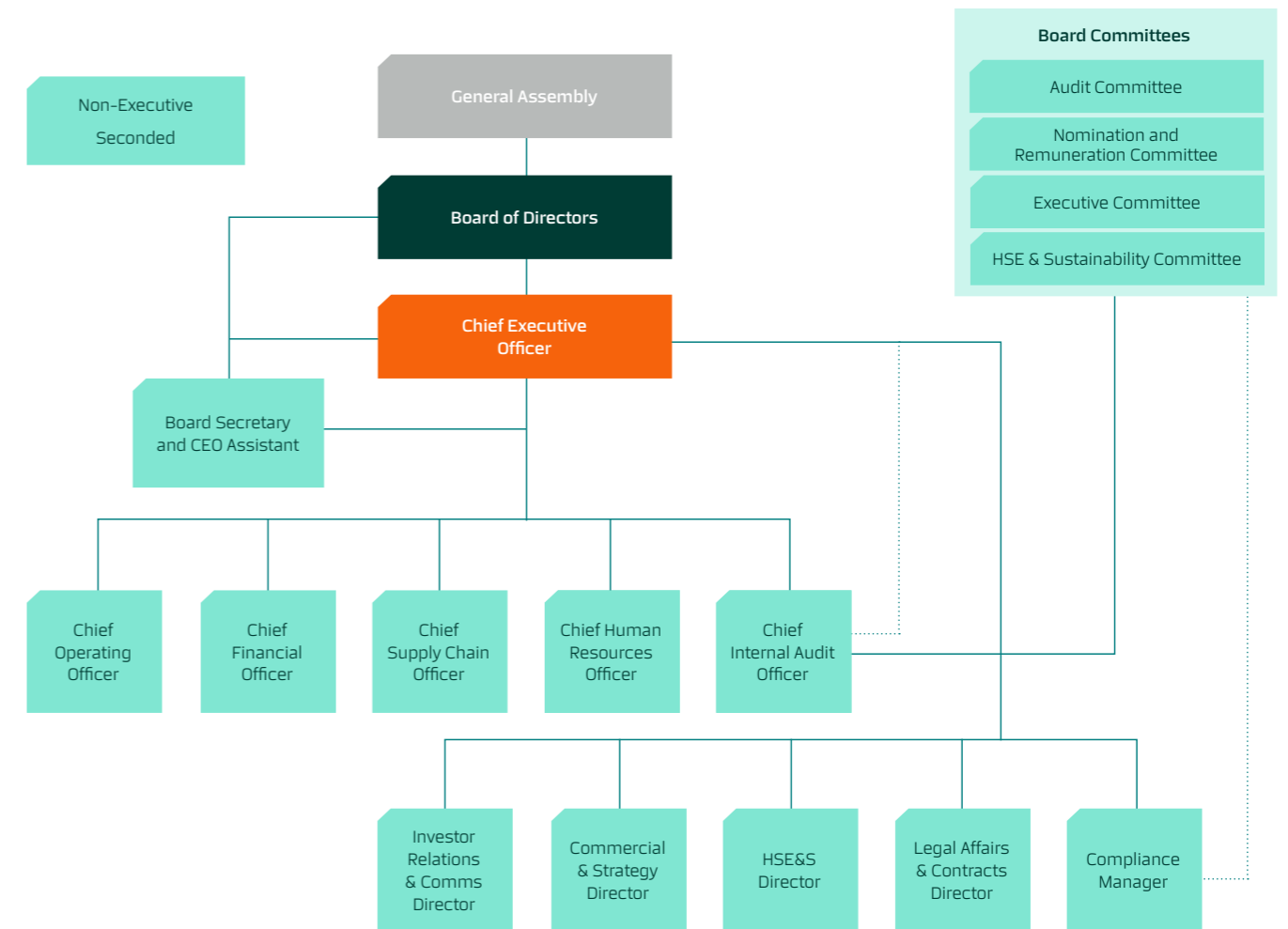
Our governance framework is built on a foundation of corporate governance policies, ethical principles, and respect for human rights. It structures our strong governance practices to ensure full compliance with applicable laws, regulations, the Tadawul Listing Requirements, and our company's memorandum of incorporation.

The interrelated nature of governance, sustainable strategy, ethics and integrity, and enterprise risk management ensures that each element supports the others in driving long-term success and maintaining accountability.



Board Leadership and Structure

Arabian Drilling became a publicly listed company in November 2022 following its Initial Public Offering (IPO) on the Saudi Stock Exchange, Tadawul. The current Board, executive management, and governance framework are fully aligned with the regulatory requirements for publicly listed companies.



Board Committees

The Board of Directors at Arabian Drilling comprises nine members: six non-executive members with a four-year term, and three independent members serving a three-year term. This rotation system ensures regular renewal of perspectives on key issues.

The Board operates with four key committees:



Board Performance Evaluation

Arabian Drilling conducts an annual board performance evaluation through a self-assessment facilitated by the Nomination and Remuneration Committee.

Further information about the Board of Directors is available on our [website](#).

Business Ethics and Compliance

The Audit Committee at Arabian Drilling is responsible for ensuring ethical business practices and fostering a culture of integrity across our company. This includes overseeing the implementation of our Code of Conduct (CoC) and grievance mechanisms.

Our CoC applies to all employees, board members, associates, and suppliers, setting clear expectations for ethical behavior. It is introduced during onboarding and reinforced through training. Employees must adhere to the CoC throughout

their tenure. The CoC addresses various topics, including anti-corruption, anti-bribery, business conduct, compliance, conflicts of interest, customer and supplier relations, discrimination and harassment, diversity, inclusion and equal opportunity, human rights, and whistleblowing.

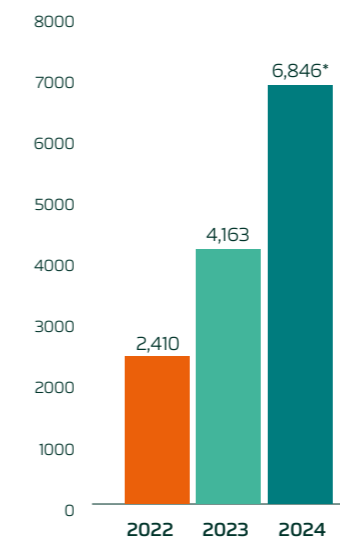
The Arabian Drilling Code of Conduct is available **on our website**. If a conflict of interest arises, stakeholders must disclose all relevant information to our company.

Employee Code of Conduct Training and Onboarding

As part of the onboarding process, every new Arabian Drilling employee undergoes Code of Conduct training. To ensure understanding, employees are surveyed during the training, and the results are indexed to give us continuous insight into how well the Code of Conduct is understood and adopted across our company. In 2024, the Arabian Drilling Training Center conducted 6,846 training sessions related to the Code of Conduct.

CoC Awareness Trainings

Employees (Number)



* Although the total number of employees is 5184, the number of employees who participated in the training is 6,846, as the Code of Conduct (CoC) awareness training was updated, and some employees received it twice.

Whistleblowing Policy

To uphold the highest ethical standards, Arabian Drilling fosters a culture of openness and accountability. Our Whistleblowing Policy allows individuals—internal or external—to report suspected breaches of ethics or inappropriate conduct without fear of reprisal. This includes violations of laws, company policies, health, safety, or environmental standards, financial mismanagement, fraud, corruption, bribery, and any actions that may damage our company’s reputation or breach confidentiality.

All concerns are reported via ethics telephone lines

and recorded by the Internal Audit and Compliance Department for review by the Audit Committee, which assesses the severity and recommends appropriate actions.

Whistleblower Hotline

Individuals can report concerns about Arabian Drilling’s business conduct through the Arabian Drilling Ethics Lines, which offer a confidential and secure platform for ethical concerns:

Phone 

+966 50 953 7766

Email 

ethics@arabdrill.com

Grievance Process

The whistleblower hotline serves as a confidential channel for reporting violations of the Code of Conduct and other legal breaches. It is available to all Arabian Drilling employees and is managed by the Internal Audit team, which compiles reports and recommends actions for the Audit Committee’s review. The process includes detailed investigations into non-compliance and anti-competitive behaviors. In 2024, all grievances reported were thoroughly investigated, reviewed, resolved, and closed through our established resolution procedures.

Anti-Bribery and Anti-Corruption

Arabian Drilling is committed to preventing bribery and corruption through a robust corporate governance framework. Our clear anti-bribery and corruption policies prohibit offering, giving, or receiving bribes, and are supported by a comprehensive Code of Conduct that emphasizes transparency, integrity, and compliance with laws.

We implement strong internal controls, including financial checks, procurement processes, and conflict-of-interest

management, to mitigate risks. We provide regular anti-corruption training to all employees to ensure they understand our policies and the consequences of non-compliance.

Our whistleblower hotline allows employees to report suspected bribery or corruption without fear of retaliation. We also conduct due diligence on third parties to assess their anti-corruption practices and regularly monitor and audit operations to ensure

ongoing compliance. These measures ensure that Arabian Drilling maintains the highest standards of integrity in all business activities.

We provide regular anti-corruption training to all employees 



Conflict of Interest

In compliance with Companies Law (Article 71), Arabian Drilling's governance framework ensures that directors do not vote on contracts or transactions involving their interests. Directors must abstain from voting on related party transactions and avoid competing with our company without approval from the Ordinary General Assembly (Article 72). As of the prospectus date, no directors, senior executives, or their relatives hold interests in our company's shares, debt instruments, or those of its subsidiaries that could influence operations.

We address conflicts of interest through the following mechanisms:

- **Clear Policies and Procedures:** A well-defined conflict of interest policy outlines what constitutes a conflict, how to identify potential conflicts, and the procedures for disclosure and resolution.

- **Disclosure Requirements:** Employees and other relevant individuals are required to disclose any potential conflicts of interest through regular declarations or as situations arise.
- **Recusal from Decision-Making:** Employees must recuse themselves from decisions or activities that could be impacted by their personal interests.
- **Independent Review:** In cases where necessary, an independent body or committee is established to review potential conflicts and provide guidance or recommendations.

To proactively manage and prevent conflicts of interest, we implement:

- **Regular Training and Education:** Employees are trained to recognize and manage potential conflicts, fostering awareness of ethical behavior.
- **Risk Assessment:** Regular assessments help identify areas where conflicts of interest may arise, allowing for proactive measures to be taken.
- **Transparency and Communication:** A culture of openness encourages early disclosure of conflicts and discourages unethical behavior.

In 2024, conflicts of interest, including cross-board memberships and related party transactions, were disclosed to stakeholders. Critical concerns were communicated to the governance body during board meetings, where they were addressed and resolved.



Compliance

Compliance with all applicable laws and regulations is a fundamental pillar of Arabian Drilling's corporate governance approach. This includes adherence to the laws of the Kingdom of Saudi Arabia, the countries where we operate, as well as specific regulations and requirements set by relevant authorities, all of which are supported by internal company directives. Our compliance strategy is guided by Arabian Drilling's comprehensive policies, which encompass audit practices, privacy, and data protection measures.

These policies include:

- Anti-Money Laundering
- Audit Committee Charter
- Authority and Delegation
- Compliance
- Conflict of Interest and Business Ethics
- Corporate Governance Manual
- CSR Policy Compliance Review
- Disclosure
- Dividends Distribution
- Insider Trading
- Investor Relations
- Nomination and Remuneration Committee Charter

- Risk Management
- Stakeholder Protection
- Whistleblowing

Compliance is a fundamental pillar of Arabian Drilling's corporate governance approach

Audit

The Internal Audit team at Arabian Drilling provides essential independent assurance regarding the effectiveness of our internal controls and ensures comprehensive compliance with both internal policies and external legal and industry regulations. This includes overseeing our company's compliance with evolving ESG requirements

and managing legal obligations and risk mitigation strategies. Under the guidance of the Audit Committee, the team's key responsibilities include:

- Evaluating the robustness of Arabian Drilling's corporate governance framework
- Assessing that day-to-day transactions are executed in compliance

with the company's policies and procedures.

- Tracking and ensuring the implementation of audit recommendations

In addition, the team plays a crucial role in risk management by delivering timely insights to decision-makers and confirming adherence to internal and external regulations.

Data Protection and Privacy

Our Data Management and Cybersecurity teams are committed to maintaining the highest standards of data privacy, protection, and security. We regularly conduct assessments and cybersecurity tests to ensure the security and reliability of our IT infrastructure. Additionally, an external audit is currently being carried out to assess the effectiveness of our privacy and security management systems.

Our efforts to obtain the ISO/IEC 27001: Information Security Management Systems (ISMS) certification are still in progress.

Data Protection Training

Data protection training is an essential part of our efforts to ensure the security of information, data, and cybersecurity. To support this, we provide online data privacy awareness training to all employees twice a year. This training equips employees with the knowledge they need to protect confidential information and data. At Arabian Drilling, we define confidential information as any data that includes, but is not limited to, investment opportunities under consideration, contracts in negotiation, industrial

and production secrets related to our products, detailed manufacturing cost information, designs and programs, financial details of operating units, and IAD reports.

NO data breaches have been recorded in 2024



Arabian Drilling and OFSAT achieved Saudi Aramco Third Party Cybersecurity Standard (SACS-002)



Risk Management

At Arabian Drilling, we maintain a robust Risk Management function aimed at protecting the interests of all key stakeholders, including shareholders, customers, employees, and suppliers, by managing risk in a way that supports our strategy and safeguards our business. We have implemented a comprehensive system to identify actual and potential threats that may affect our assets and operations, both locally and globally, and to manage them proactively and on an ongoing basis.

The primary objective of our Risk Management function is to identify and assess risks that may impact the achievement of Arabian Drilling’s business objectives and to embed risk management practices into the company’s decision-making processes.

Our Risk Management function follows a dynamic approach focused on continuous improvement. It is built around three key pillars: People, Processes, and Technology, as we continue to enhance and evolve our risk management capabilities.



People and Society

Arabian Drilling is committed to delivering consistent Enterprise Risk Management (ERM) training and awareness sessions across all departments and employee levels. This approach ensures a broad understanding of ERM principles throughout the organization, fostering a culture of effective and proactive risk management.

Process

The Company continues to strengthen ERM practices through several initiatives. These include targeted training for risk and response owners, benchmarking ERM practices against industry leaders, and integrating risk assessments into the annual strategy and business planning processes.

Technology

To further enhance risk management effectiveness, Arabian Drilling is implementing an automation system that will support risk scheduling, identification, assessment, and mitigation across all functions. This system will enable a more proactive approach and improve the Company’s real-time risk assessment capabilities.

Risk Management Framework

Our robust ERM process has been developed in accordance with the best practices, guidelines, and principles of the 2017 Committee of Sponsoring Organizations (COSO) Framework. The ERM system is designed to plan, identify, assess, mitigate, monitor, and report risks that may impact the Company’s ability to achieve its objectives. The following are the top risks identified at our Company:

Risk	Description
Business continuity risk	Risks stemming from contracts being subject to suspension, early termination, or variance.
ESG and sustainability risk	Risks associated with ESG factors, with particular emphasis on climate change impacts.
HSE regulations risk	Risks arising from non-compliance with health, safety, and environmental laws and regulations.
Cybersecurity risk	Risks posed by cyberattacks affecting the security and reliability of technology systems.
Liquidity and cash flow risk	Risks associated with the company’s ability to generate sufficient cash to meet debt obligations and support ongoing operations.
Geopolitical risk	Risks arising from political instability and security concerns in the Middle East region.
Safe operations execution risk	Risks resulting from accidents on the company’s rigs that may cause severe damage or injuries.
Rig move, maintenance and projects risk	Risks associated with rig moves, upgrades, repairs, refurbishments, and construction projects.
Human resources risk	Risks stemming from the company’s ability to attract and retain skilled personnel.
Supply chain risk	Risks associated with dependence on third parties, distributors, manufacturers, and strategic partners.



Modernizing the Operating Model

As part of our digital transformation, we have launched several initiatives to modernize our operating model, laying the groundwork for improved operational performance and rig move efficiency. On January 1, 2025, our company successfully transitioned to an upgraded ERP platform.

- **Enhanced Operational Efficiency:** AI-powered automation and machine learning streamline workflows, improving decision-making speed and accuracy.
- **Real-Time Data Processing:** The implementation of S/4HANA enables real-time data analysis, providing immediate insights to adapt to market changes.
- **Scalability and Flexibility:** The system supports continuous innovation, allowing Arabian Drilling to scale and respond effectively to evolving industry challenges.

Artificial Intelligence, Innovation and Digital Transformation

Artificial intelligence (AI) is transforming the energy sector by driving operational excellence, enhancing efficiency, sustainability, and innovation, while reinforcing governance through data-driven decision-making and risk management.

AI enables predictive maintenance, carbon footprint reduction, and optimized energy systems, ensuring compliance with industry standards and improving workplace safety.

By leveraging advanced analytics and automation, AI strengthens transparency, accountability, and performance, ultimately supporting long-term economic growth in the energy sector.

Led by the Asset Management Department, a dedicated working group systematically evaluates emerging technologies for rig maintenance, covering structural and marine engineering, rig power, pressure control, and drilling equipment to enhance operational efficiency. Meanwhile, a

specialized technology group proactively explores solutions from aligned industries, focusing on emissions reduction, safety enhancements, image recognition, machine learning, equipment health monitoring, and data analytics to optimize well performance and reduce costs.

AI  is transforming the energy sector

Infinity Innovation Lab

At Arabian Drilling, we operate the Infinity Innovation Lab, a real-time Drilling Performance Center designed to enhance performance, efficiency, and safety across our onshore and offshore rigs. Equipped with advanced sensors, data collection systems, and a collaborative smart room, we provide 24/7 monitoring and support, ensuring seamless communication between our office teams and rig personnel.

By leveraging real-time data analytics and predictive insights, we optimize well delivery, track KPIs, and utilize offset well data to enhance overall well and crew performance.

Best practise



Best practise

AI Video Analytic

The AI-powered video analytics system is a computer vision solution for real-time detection, analysis, and alerting of unsafe acts and conditions on land rigs. Implemented as a six-month pilot, it monitors PPE compliance, body posture, line of fire risks, working at heights, manual handling, and equipment maintenance, generating real-time alerts and detailed reports categorized by crews, individuals, and locations.

The system aims to proactively identify and mitigate safety risks, ensuring compliance and reducing incidents. By providing data-driven insights and trend analysis, it enhances monitoring, reduces non-compliance, and strengthens safety culture.

Key features include man-down detection, stair handrail compliance, and monitoring of top drives, winches, and mud pumps, with AI-driven high-severity alerts for incidents like camera tampering. The dashboard supports daily, weekly, and monthly trend analysis to optimize safety performance. We plan to expand deployment and enhance predictive analytics to further improve workplace safety and compliance.

Best practise

AI-Powered AVM for Cranes and Wheel Loaders Planned

As part of our commitment to enhancing safety and operational efficiency, Arabian Drilling plans to deploy an AI-driven Advanced Vision Monitoring (AVM) solution for cranes and wheel loaders. The system is designed to improve visibility, reduce blind spots, and prevent accidents through 360° panoramic monitoring, pedestrian detection, and real-time AI alerts. The system will integrate high-definition cameras, a hybrid mobile DVR, a touchscreen driver monitor, and sound and light alarms to support safer operations.

- **For cranes:** The AVM will address operator blind spots, particularly on the right side and rear, offering real-time guidance for lifting, turning, and reversing. AI-powered pedestrian detection will issue immediate alerts to enhance safety.
- **For wheel loaders:** The AVM will improve situational awareness with a full-surround view, automated hazard detection, and two-way communication. Pedestrian warning alarms will reduce risks in low-visibility conditions.

Best practise

AI Application in Journey Management Across 639 Fleet Vehicles

The AI-driven journey management system has been implemented across 639 vehicles in our fleet, enhancing driver safety and performance. Key features include land departure alerts, collision alerts, and safe distance alerts.

The system uses AI to monitor driver behavior, detecting signs of fatigue or distraction and providing real-time alerts. Its primary goal is to reduce fatigue-related incidents and achieve a zero-incident/accident rate.

In addition, the system continuously monitors driver actions and delivers voice commands to warn about potential dangers. It also offers proactive solutions, such as suspending the journey, rescheduling, or assigning an additional driver, to ensure optimal safety and efficiency on the road.




Fleet Management

Arabian Drilling strategically manages fleet maintenance to optimize performance, minimize downtime, and control capital expenditures.

Maintenance is scheduled between contracts to allow preventive servicing, upgrades, technology integration, inspections, and certifications while ensuring compliance with regulatory requirements. The Asset Management Department also engages specialized third-party contractors for specific tasks.



32% 
 growth in the land rigs fleet with the addition of 13 new rigs

In 2024, 160 rig moves were completed, resulting in a savings of 0.8 days per move, contributing to a total of 128 days saved.

Rig Automation

To enhance efficiency, Arabian Drilling is reducing manual intervention by integrating mechanization and automation into drilling operations. Key advancements include the automation of iron roughnecks, catwalks, power slips, and pipe handlers, improving safety and operational performance.

Rig Moving System

A streamlined rig moving system optimizes time and cost efficiency by enabling rigs to be transported with the mast upright, reducing relocation time and enhancing overall productivity. Eight new Unconventional rigs are equipped with Skidding system that avoids dismantling of the mast, saving rig move time and enhancing safety.



Rig Efficiency Index (REI)

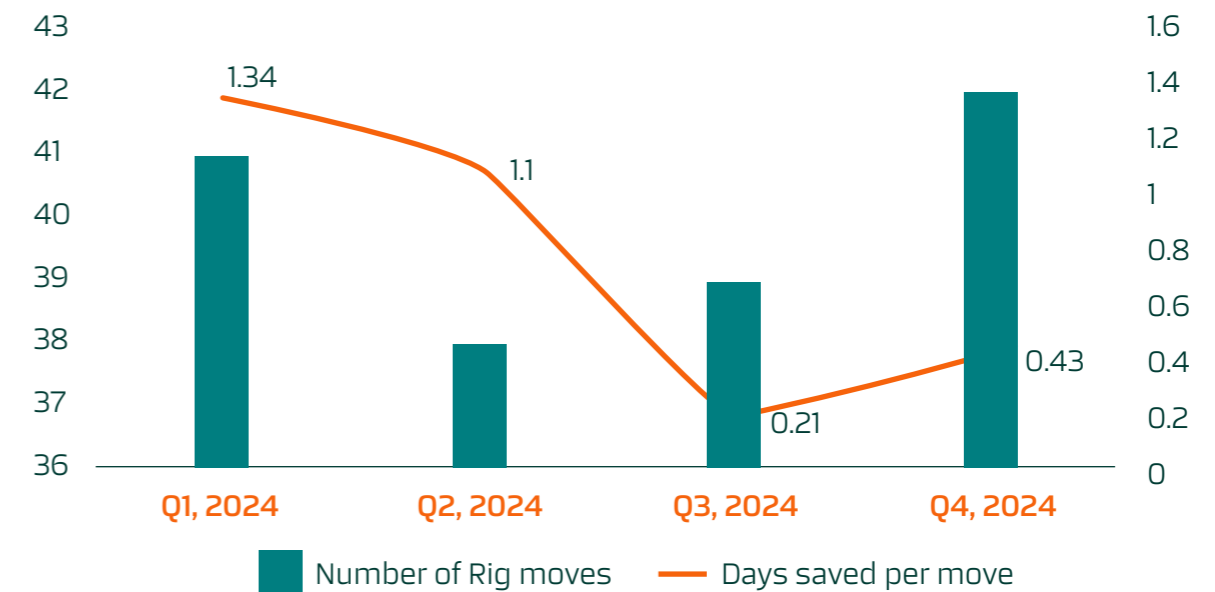
We have integrated the Rig Efficiency Index (REI), an internal assessment tool used by Saudi Aramco to evaluate rig performance among drilling contractors, into our performance measurement framework.

The REI score reflects key factors such as HSE, non-productive time, drilling flat time, and IKTVA. High scores enhance contract renewal and extension opportunities with Saudi Aramco.

In 2024, Arabian Drilling achieved a REI score of 94.3.

REI	Unit	2022	2023	2024
Annual REI averages	(%)	93.36	94.15	94.3

Rig Move Efficiency 2024



In 2024, 160 rig moves were completed, resulting in a savings of 0.8 days per move, contributing to a total of 128 days saved.





Financial Performance

Arabian Drilling operates 49 rigs across Saudi Arabia, supported by nine facilities. In 2024, revenue grew by 4.1% year-over-year, reaching SAR 3,618.81 million, driven by the addition of unconventional rigs, partially offset by the suspension of offshore and land rigs.

Net profit after Zakat and tax declined by 46.9% to SAR 321.36 million, primarily due to a one-off impairment and the suspension of offshore rigs. Despite this, the EBITDA erosion was mitigated by improved cost optimization initiatives.

Net debt rose to SAR 2,441.02 million, largely due to a lower cash balance, reflecting the company's continued investments and operational adjustments while maintaining financial resilience.

2024 Market Share Highlights

18.3%

(2023: 16.1%)

KSA market share
(Aramco and KJO)

Land and offshore



Number of rigs

49

out of 267

Closing period – December 2024



BEST 
CFO award

Financial Statement	Unit	2022	2023	2024
Revenue	ﷲ million	2,703.54	3,476.52	3,618.81
EBITDA	ﷲ million	1,144.38	1,485.30	1,508.12
EBITDA margin	Percentage (%)	42	43	42
Net profit after Zakat and Tax (Before other comprehensive income adjustment)	ﷲ million	557.72	604.61	321.36
CAPEX	ﷲ million	1,749.34	1,846.75	1,910.31
Net debt	ﷲ million	895.39	1,753.73	2,441.03

Economic Value	Unit	2022	2023	2024
Revenue	ﷲ million	2,703.54	3,476.52	3,618.81
Cost of revenue	ﷲ million	1,902.1	2,500.62	2,858.92
Others, general and administrative expenses	ﷲ million	182.35	174.67	194.37
Finance cost - net	ﷲ million	66.79	113.29	207.51
Zakat and tax expenses	ﷲ million	-5.42	83.33	36.65
Profit for the year (Before other comprehensive income adjustment)	ﷲ million	557.72	604.61	321.36

Operational Achievements in 2024

- Fleet utilization rate reached 83%, reflecting steady operational activity.
- Uptime was maintained at 98.33%, ensuring high availability across operations.
- Non-Productive Time (NPT) remained low at 1.67%, supporting operational efficiency.

Best practise

98.33%


Drilling Efficiency



In-Country Economic Development

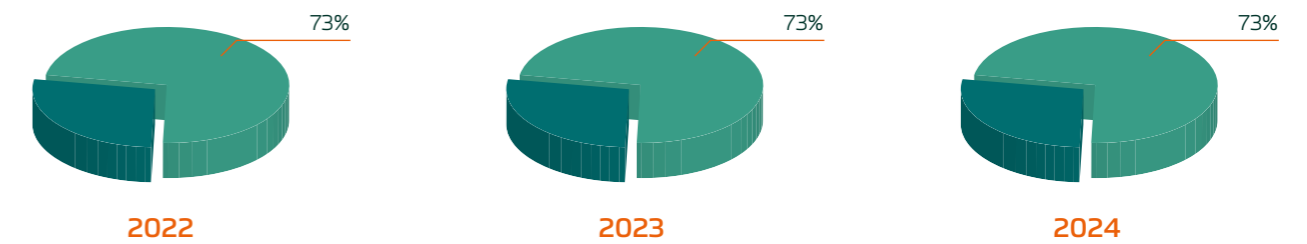
Aligned with Saudi Vision 2030, Arabian Drilling enhances IKTVA performance through local procurement and investment in Saudi talent. We won the IKTVA Excellence Award for Best in Saudization (Services) in 2024.

A dedicated IKTVA unit monitors performance, enforces compliance, and integrates IKTVA clauses into supplier contracts to strengthen local engagement. Our company's IKTVA score has remained at 73% over the past three years.

73% 
IKTVA score retained

IKTVA

 IKTVA scores (Percentage (%))



Supply Chain Management

The drilling sector is a key driver of Saudi Arabia's economy and regional growth. Strong corporate governance within our supply chain ensures transparency, risk management, and ethical business practices, reinforcing long-term economic stability. To support this, we prioritize partnerships with suppliers who align with our sustainability commitments and operational excellence. A robust local supplier network is essential to this approach, and we actively encourage foreign suppliers to establish a local presence in Saudi Arabia, contributing to economic development in alignment with Saudi Vision 2030 and the UN Sustainable Development Goals.

To ensure responsible sourcing and mitigate risks related to social, human, and safety rights, we uphold rigorous policies, guidelines, and ethical standards. These measures safeguard both people and the environment while reinforcing transparency and accountability across our supply chain.

Procurement Policy

Our procurement policy ensures that all Arabian Drilling suppliers uphold our performance standards, ethical commitments, and comply with applicable laws and regulations. Regular policy reviews keep it aligned with corporate governance principles and strategic objectives. To maintain high standards, we conduct ongoing pre-qualification and post-qualification audits of suppliers and contractors, particularly when new requirements—such as specialized training, health checks, or legal permits—are introduced. Suppliers are also required to maintain proper records throughout their engagement, demonstrating compliance with the terms and conditions of the Arabian Drilling Code of Conduct.

Supplier Selection

Arabian Drilling's vendor selection process prioritizes value, considering factors such as QHSE standards, IKTVA, technical specifications, quality, timely delivery, and price. In alignment with our procurement policy and Saudi Vision 2030, we

prioritize local vendors whenever feasible. When local options are unavailable, overseas vendors may be considered.

All suppliers must acknowledge and adhere to our Code of Conduct, which mandates compliance with Saudi labor laws, including regulations on forced labor, working hours, working conditions, minimum age, wages, and medical insurance. As part of the selection process, we may conduct on-site audits and assessments to evaluate compliance with social, environmental, and human rights standards. Suppliers may also be required to obtain independent third-party certifications to verify adherence to these standards.

To ensure transparency, all suppliers must confirm their compliance with the Arabian Drilling Code of Conduct through SAP Ariba registration. Suppliers not registered in SAP Ariba are still required to acknowledge and comply with the Code of Conduct.

Supplier Onboarding and Assessment

Arabian Drilling ensures accountability and

continuous improvement across its supplier network through a rigorous onboarding and assessment process. Beyond the initial supplier onboarding, a dedicated team from our QHSE, Operations, and Supply Chain Departments conducts regular compliance audits for the top 30 suppliers based on procurement spend value. These assessments reinforce adherence to Arabian Drilling's policies, standards, and sustainability goals while evaluating suppliers' ability to consistently deliver high-quality service.

As part of these audits, we verify suppliers' ISO certifications, compliance with Saudi regulatory requirements—including IKTVA percentages, Zakat, GOSI, VAT, commercial registration, and Chamber of Commerce membership—and their commitment to local workforce development through structured training programs.

Environmental Management Plan Compliance

In addition to adhering to our Code of Conduct, all Arabian Drilling suppliers

must comply with our Environmental Management Plan (EMP). To enforce this requirement, we conduct a structured evaluation process that measures suppliers' environmental performance against national and international standards. This process includes:

- Commercial bid evaluations to assess the supplier's value, viability, and environmental impact.
- Prequalification assessments for all new contractors to ensure environmental compliance.
- Annual compliance audits for high-risk contractors to verify alignment with our environmental requirements.
- Adherence benchmarking to enhance operational excellence and improve quality standards.

Compliance with our EMP also requires suppliers to obtain relevant certifications from governing bodies, including Baladyat, the Ministry of Health, Saudi Aramco, environmental organizations, and KJO requirements.

Protecting Against Forced, Compulsory, and Child Labor

Arabian Drilling upholds a zero-tolerance policy against forced, compulsory, and child labor, ensuring strict oversight within our supply chain. While Saudi Arabia has established laws to protect minors from child labor risks, we recognize our responsibility to proactively identify and mitigate potential concerns. Through continuous audits and assessments, we monitor supplier compliance with our Code of Conduct, which explicitly prohibits child labor.

To address the risk of forced or compulsory labor, we conduct risk assessments and audits, engaging with stakeholders to evaluate labor practices. Any potential or actual violation of the Code of Conduct, including unethical labor practices, must be reported to our internal audit department via phone or email. Based on the severity of the violation, Arabian Drilling reserves the right to disqualify or terminate any supplier found to be in breach of these standards.

Supporting Local Business

Maximizing local supplier engagement is a key pillar of Arabian Drilling’s commitment to Saudi Vision 2030 and its goal of strengthening the national economy. Each year, we seek new opportunities to expand our investment in local procurement while fostering long-term relationships with local businesses.

In 2024, our investment in local businesses continued to grow, with a 66% ratio of local suppliers, reflecting an increase from previous years. The ratio of spending on local suppliers stood at 45% in 2024.

Supply Chain	Unit	2022	2023	2024
Suppliers	Number	1,417	1,629	1,523
Local suppliers	Number	879	1,012	1,009
Ratio of local suppliers	Percentage (%)	62	62	66
Total spending on suppliers and contractors	ﷲ million	1,302.61	2,431.38	3,207
Spending on locally based suppliers and contractors	ﷲ million	890.04	1,399.32	1,427
Ratio of spending on local suppliers	Percentage (%)	68	58	45*

*The decrease in local spending in 2024 compared to 2023 is due to the startup phase of the 10 new rigs project and CAPEX allocated to the rig manufacturer.



45% 
 spending
 on local
 suppliers



Appendices

Appendices

Stakeholder Engagement Approach

Stakeholder group	Key interests and priorities	Methods of engagement	Value added
Arabian Drilling operates as a Joint Stock Company. Our major shareholders are TAQA and SLB. The company is headquartered in Al Khobar, Eastern Province, Saudi Arabia. Arabian Drilling exclusively operates within the Kingdom of Saudi Arabia and does not have operations in any other countries.	<ul style="list-style-type: none"> Profitability and sustainable growth Effective corporate governance Minimized risk exposure Excellent reputation management Transparent communication practices Compliance with laws and regulations Support for local programs 	<ul style="list-style-type: none"> Investor Relations team Annual General Assembly Board of Directors meetings Annual, quarterly, and monthly reports Board of Directors workshops 	<ul style="list-style-type: none"> Net income profit Sustained growth Efficient and improved corporate governance framework Cutting-edge training programs Seamless communication Culture of excellence and ongoing improvement Reputation risk management Adherence to the Code of Conduct
Customers Arabian Drilling's primary customers, including Saudi Aramco, SLB, Baker Hughes and Al Khafji Joint Operations (KJO).	<ul style="list-style-type: none"> High-quality services Health, safety, and environment protection Security measures Confidentiality and data protection Compliance with ethical and regulatory standards Utilization of modern technology Competent local workforce 	<ul style="list-style-type: none"> Quarterly service quality appraisal Monthly drilling health, safety, and environmental leadership initiative meetings Daily and weekly meetings Quarterly Safe Operations Committee meetings Daily reports Alerts from QHSE and Service Quality Departments 	<ul style="list-style-type: none"> Skilled workforce Timely delivery Health, safety, and environmental training Code of Conduct Confidentiality and Privacy Policy Competent local workforce Security Policy Implementation of an ERP system Adoption of cutting-edge technology

Stakeholder group	Key interests and priorities	Methods of engagement	Value added
Employees Arabian Drilling's workforce of over 5,000 employees, with a Saudization rate of 68%	<ul style="list-style-type: none"> Fair and competitive remuneration and benefits Equal opportunity and fair treatment Health and safety Learning and development opportunities Employee motivation and appreciation Recognition and award programs Transparent management practices 	<ul style="list-style-type: none"> Employee satisfaction survey Employee engagement workshops Regular meetings Quarterly and annual performance reviews Continuous training 	<ul style="list-style-type: none"> Cultivating a harmonious working environment underpinned by the company's values Competitive compensation and incentives Robust retention policy Comprehensive health insurance Employee recognition through safety awards Adherence to Code of Conduct Emphasis on training and development opportunities
Suppliers Arabian Drilling cultivates enduring relationships and collaborates closely with our core suppliers and service providers.	<ul style="list-style-type: none"> Transparent procurement processes Tender opportunities Business development opportunities Environmental protection and sustainability 	<ul style="list-style-type: none"> Procurement notices Workshops 	<ul style="list-style-type: none"> Empowering smaller businesses and service providers Creating a pipeline of suitable businesses in the company's supply chain Partnering with local business to leverage synergies Enhanced economies of scale Cost savings
Communities Residents of the Kingdom	<ul style="list-style-type: none"> Economic development Employment opportunities Environmental protection and sustainability Education and medical facilities Ethical business practices Giving back to communities 	<ul style="list-style-type: none"> Social media Youth training initiatives Creating employment opportunities Organizing medical camps for employees and their families Participating in HSE events organized by Saudi Aramco 	<ul style="list-style-type: none"> CSR initiatives Health campaigns Knowledge sharing workshops

GRI Content Index

Statement of use	Arabian Drilling has reported in accordance with the GRI Standards for the period 1st January 2024 to 31st December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI 11: Oil and Gas Sector 2021

GRI Standard/ Other Source	Disclosure	Location and/or direct answer	Omission		GRI Sector Standard Ref. No.
			Reason	Explanation	
General disclosures					
	2-1 Organizational details	10-11	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	2-2 Entities included in the organization's sustainability reporting	7			
	2-3 Reporting period, frequency and contact point	7			
	2-4 Restatements of information	62			
		External assurance was not obtained for this report.			
	2-6 Activities, value chain and other business relationships	14-15			
	2-7 Employees	42 - 51			
	2-8 Workers who are not employees	42			
	2-9 Governance structure and composition	78-80			
	2-10 Nomination and selection of the highest governance body	80			
	2-11 Chair of the highest governance body	79			
	2-12 Role of the highest governance body in overseeing the management of impacts	20			
	2-13 Delegation of responsibility for managing impacts	20			
	2-14 Role of the highest governance body in sustainability reporting	20			
	2-15 Conflicts of interest	86			
	2-16 Communication of critical concerns	84			
	2-17 Collective knowledge of the highest governance body	Annual Report			
	2-18 Evaluation of the performance of the highest governance body	20			
	2-19 Remuneration policies	Annual Report			
	2-20 Process to determine remuneration	Annual Report			

GRI Standard/ Other Source	Disclosure	Location and/or direct answer	Omission		GRI Sector Standard Ref. No.
			Reason	Explanation	
	2-21 Annual total compensation ratio	49			
	2-22 Statement on sustainable development strategy	6-7			
	2-23 Policy commitments	53, 84 - 85			
	2-24 Embedding policy commitments	53, 84 - 85			
	2-25 Processes to remediate negative impacts	49, 84			
	2-26 Mechanisms for seeking advice and raising concerns	49, 84			
	2-27 Compliance with laws and regulations	83			
	2-28 Membership associations	Not disclosed	Information unavailable/incomplete	Value not measured yet	
	2-29 Approach to stakeholder engagement	21, 110 - 111			
	2-30 Collective bargaining agreements	Not Applicable	Legal prohibitions	Collective bargaining is prohibited in Saudi Arabia.	
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	22 - 23			
	3-2 List of material topics	23			
Supply Chain Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	104 - 105			11.2.1 11.12.1 11.14.1 11.21.1
	201-1 Direct economic value generated and distributed	101			11.14.2 11.21.2
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Not disclosed	Information unavailable/incomplete	Value not measured yet	
	201-3 Defined benefit plan obligations and other retirement plans	Not disclosed	Information unavailable/incomplete	Value not measured yet	11.21.3
	201-4 Financial assistance received from government	Not disclosed	Information unavailable/incomplete	Value not measured yet	11.14.6
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	107			11.14.6

GRI Standard/ Other Source	Disclosure	Location and/or direct answer	Omission		GRI Sector Standard Ref. No.
			Reason	Explanation	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Not disclosed	Information unavailable/incomplete	Value not measured yet	
	308-2 Negative environmental impacts in the supply chain and actions taken	Not disclosed	Information unavailable/incomplete	Value not measured yet	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Not disclosed	Information unavailable/incomplete	Value not measured yet	11.10.8
	414-2 Negative social impacts in the supply chain and actions taken	Not disclosed	Information unavailable/incomplete	Value not measured yet	11.10.9
Diversity, inclusion and equal opportunities					
GRI 3: Material Topics 2021	3-3 Management of material topics	51			11.11.1
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not disclosed	Confidentiality constraints	Value not measured yet	
	202-2 Proportion of senior management hired from the local community	53			11.11.2 11.14.3
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	52			11.11.5
	405-2 Ratio of basic salary and remuneration of women to men	51			11.11.6
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Not disclosed	Confidentiality constraints	Due to internal policies	11.11.7
Business ethics and compliance					
GRI 3: Material Topics 2021	3-3 Management of material topics	83			11.20.1
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Not disclosed	Confidentiality constraints	Value not measured yet	11.20.2
	205-2 Communication and training about anti-corruption policies and procedures	85			11.20.3
	205-3 Confirmed incidents of corruption and actions taken	Not disclosed	Confidentiality constraints	Due to internal policies	11.20.4
Energy efficiency and conservation management					
GRI 3: Material Topics 2021	3-3 Management of material topics	62			11.11

GRI Standard/ Other Source	Disclosure	Location and/or direct answer	Omission		GRI Sector Standard Ref. No.
			Reason	Explanation	
	302-1 Energy consumption within the organization	63			11.1.2
	302-2 Energy consumption outside of the organization	Not disclosed	Information unavailable/incomplete	Value not measured yet	11.1.3
GRI 302: Energy 2016	302-3 Energy intensity	Not disclosed	Information unavailable/incomplete	Value not measured yet	11.1.4
	302-4 Reduction of energy consumption	Not disclosed	Information unavailable/incomplete	Value not measured yet	
	302-5 Reductions in energy requirements of products and services	Not disclosed	Information unavailable/incomplete	Value not measured yet	
Water and wastewater management					
GRI 3: Material Topics 2021	3-3 Management of material topics	75 - 76			11.6.1
	303-1 Interactions with water as a shared resource	75			11.6.2
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	Not disclosed	Information unavailable/incomplete	Value not measured yet	11.6.3
	303-3 Water withdrawal	Not disclosed	Information unavailable/incomplete	Value not measured yet	11.6.4
	303-4 Water discharge	Not disclosed	Information unavailable/incomplete	Value not measured yet	11.6.5
	303-5 Water consumption	77			11.6.6
Preservation of natural and cultural sites					
GRI 3: Material Topics 2021	3-3 Management of material topics	77			11.4.1
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not disclosed	Information unavailable/incomplete	Value not measured yet	11.4.2
	304-2 Significant impacts of activities, products and services on biodiversity	Not disclosed	Information unavailable/incomplete	Value not measured yet	11.4.3
	304-3 Habitats protected or restored	Not disclosed	Information unavailable/incomplete	Value not measured yet	11.4.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not disclosed	Information unavailable/incomplete	Value not measured yet	11.4.5

GRI Standard/ Other Source	Disclosure	Location and/or direct answer	Omission		GRI Sector Standard Ref. No.
			Reason	Explanation	
Decarbonization and renewable energy transition					
GRI 3: Material Topics 2021	3-3 Management of material topics	61 - 65			11.1 11.2.1 11.3.1
	305-1 Direct (Scope 1) GHG emissions	63			11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	Not disclosed	Information unavailable/incomplete	Value not measured yet	11.1.6
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	Not disclosed	Information unavailable/incomplete	Value not measured yet	11.1.7
	305-4 GHG emissions intensity	Not disclosed	Information unavailable/incomplete	Value not measured yet	11.1.8
	305-5 Reduction of GHG emissions	62 - 63			11.2.3
	305-6 Emissions of ozone-depleting substances (ODS)	Not disclosed	Information unavailable/incomplete	Value not measured yet	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not disclosed	Information unavailable/incomplete	Value not measured yet	11.3.2
Waste management and circular economy practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	70 - 71			11.5.1 11.8.1
	306-1 Waste generation and significant waste-related impacts	70 - 71			11.5.2
	306-2 Management of significant waste-related impacts	70 - 71			11.5.3
GRI 306: Waste 2020	306-3 Waste generated	Not disclosed	Confidentiality constraints	Due to internal policies	11.5.4
	306-4 Waste diverted from disposal	71			11.5.5
	306-5 Waste directed to disposal	Not disclosed	Information unavailable/incomplete	Value not measured yet	11.5.6
Human capital development					
GRI 3: Material Topics 2021	3-3 Management of material topics	42, 45			11.7.1 11.10.1 11.11.1
	401-1 New employee hires and employee turnover	42			11.10.2
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	50			11.10.3
	401-3 Parental leave	54			11.10.4 11.11.3

GRI Standard/ Other Source	Disclosure	Location and/or direct answer	Omission		GRI Sector Standard Ref. No.
			Reason	Explanation	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	45			11.10.6 11.11.4
	404-2 Programs for upgrading employee skills and transition assistance programs	46 - 47			11.10.7 11.7.3
	404-3 Percentage of employees receiving regular performance and career development reviews	48			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	32			11.9.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	36			11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	36 - 37			11.9.3
	403-3 Occupational health services	38 - 39			11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	37, 39			11.9.5
	403-5 Worker training on occupational health and safety	40			11.9.6
	403-6 Promotion of worker health	39, 41			11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	36, 38			11.9.8
	403-8 Workers covered by an occupational health and safety management system	36			11.9.9
	403-9 Work-related injuries	32 - 33			11.9.10
	403-10 Work-related ill health	32 - 33			11.9.11
Social impact and community development					
GRI 3: Material Topics 2021	3-3 Management of material topics	55			11.15.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	55			11.15.2
	413-2 Operations with significant actual and potential negative impacts on local communities	55			11.15.3

We also report on topics that are not covered by the GRI standards

Spill prevention and response		
GRI 3: Material Topics 2021	3-3 Management of material topics	72
Artificial Intelligence (AI), innovation & digital transformation		
GRI 3: Material Topics 2021	3-3 Management of material topics	92
Human Rights		
GRI 3: Material Topics 2021	3-3 Management of material topics	54
Risk Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	(90 - 91)

Topics in the applicable GRI Sector Standards determined as not material

Topic	Explanation
Topic 11.12 Forced labor and modern slavery	Information unavailable/incomplete
Topic 11.13 Freedom of association and collective bargaining	Legal prohibitions
Topic 11.16 Land and resource rights	Information unavailable/incomplete
Topic 11.17 Rights of indigenous peoples	Not applicable
Topic 11.18 Conflict and security	Information unavailable/incomplete
Topic 11.19 Anti-competitive behavior	Information unavailable/incomplete
Topic 11.22 Public policy	Information unavailable/incomplete

