



ESG REPORT 2022

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Chairman's Message



I am pleased to present the ADES Group's Environmental, Social, and Governance (ESG) Report for 2022. As we review the past years, it is evident that our unwavering commitment to governance, health and safety of our people, and sustainability has played a significant role in our success. At a time when IPCC has called upon for urgent action to limit global temperature rise within 1.5 °C from the pre-industrialized level, our actions towards sustainability remains important and will continue to be an integral part of our corporate strategy which we truly believe in its value to achieve long-term success. We acknowledge that the inherent nature of our operations might leave an ecological footprint and hence our focus remains steadfast in sustainable operations, and we are proud to demonstrate our commitment to minimizing remains steadfast in sustainable operations, and

we are proud to demonstrate our commitment to minimizing the impact of our operations on the environment and the communities we operate in. We commit and shall continue to work closely with all our stakeholders, partners, and vendors in lowering the environmental impact and exceeding the benchmarks.

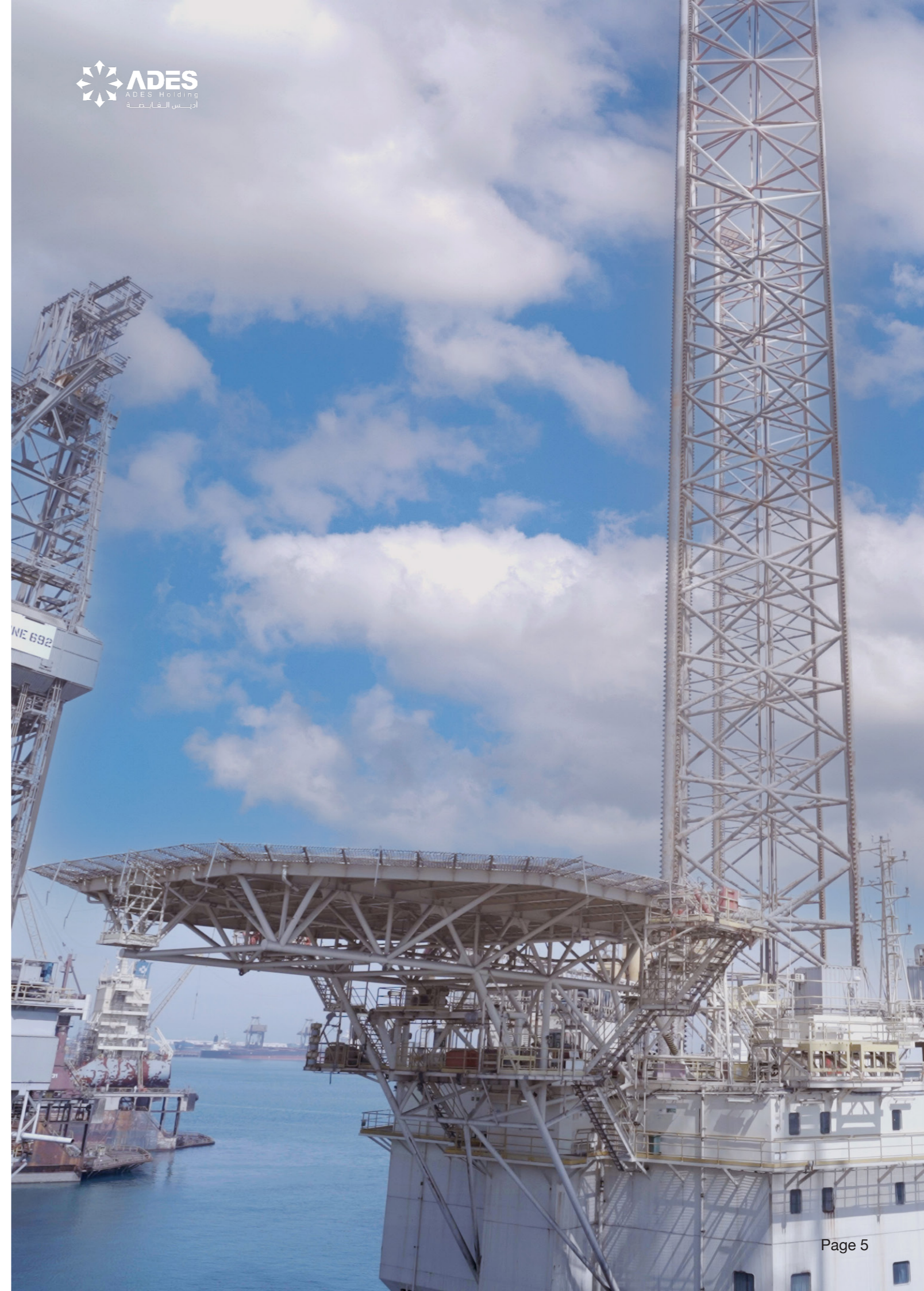
Our workforce of approximately 5,275 in 2022 remains pivotal in meeting our sustainable goals. We take this opportunity to acknowledge their unwavering support in executing business decisions. We prioritize the well-being of our staff and continue to strive for a culture that empowers them. Furthermore, we realize the well-being of local communities for mutual benefit and actively engage with them to drive initiatives that provide social and economic welfare in the regions that we operate.

We emphasize good governance as a key to achieving our long-term vision and in delivering sustainable value to our stakeholders. Throughout the past years, we have remained agile, proactive, and responsive to the changing business and regulatory environment, while maintaining our commitment to our employees, shareholders, and other stakeholders.

As we embark on the new journey post COVID pandemic, we remain resolute in our commitment to ESG principles. Every challenge we face provides us with an opportunity to pioneer sustainable growth through investment in technologies that optimize our operations and provide solutions to the sustainable needs of businesses and local communities.

I would like to express my gratitude to our employees, board members, shareholders, customers, and partners for their invaluable guidance and support over the years, as we enter this new chapter for ADES Group. We look forward to continuing to work together for years to come as we forge new paths of value creation and long-term success.

Mr. Ayman Abbas
Chairman, ADES Group



CEO'S Message



I am delighted to share the remarkable progress and achievements of ADES Group in the realm of Environmental, Social, and Governance (ESG) and economic practices. Under the able guidance and vision provided by our Chairman and the Board of Directors, we have remained steadfast in our commitment to sustainability and have made significant strides in executing our ESG strategy.

One of the key milestones in enacting the ESG strategy was the completion of a Sustainability Materiality Assessment (SMA) in collaboration with an independent ESG consultancy in 2020. This assessment has provided us with valuable insights

and information and as a consequence sustainability is being developed as part of the corporate framework and it aims to guide ADES's ambition towards sustainable business. By undertaking this assessment, we have demonstrated our dedication to understanding and addressing the key topics that our stakeholders believe ADES should be tackling to ensure resilient and future-proof operations.

In terms of environmental performance, we have implemented various initiatives to minimize our ecological footprint. For instance, we have invested in advanced technologies and equipment that promote energy efficiency and reduce emissions. Additionally, we have actively sought opportunities to incorporate renewable energy sources into our operations, further contributing to the global transition towards a low-carbon future.

Social responsibility is deeply ingrained in our corporate culture, and we strive to make a positive impact on the communities in which we operate. In this endeavor we continue to support the education, healthcare, and social welfare initiatives.

ADES Group emphasizes corporate governance, recognizing its pivotal role in maintaining our company's integrity. With transparency being our key cornerstone, we are determined to make our ESG performance disclosures more robust. We adhere to the highest standards in all areas of our business operations, ensuring that we conduct ourselves with utmost professionalism and ethical conduct. Our robust approach to governance goes beyond legal compliance, enabling us to deliver the best value for our clients and shareholders.

As we look ahead to the future, we remain committed to continuous improvement and stakeholder engagement for improving our ESG performance. We value the views, priorities, and information needs of all our stakeholders, and we intend to incorporate their perspectives into our decisions and identify potential opportunities to execute business in a sustainable way across all operating units and regions.

In conclusion, I am immensely proud of the progress we have made in our ESG journey. ADES Group is dedicated to being a responsible corporate citizen, and we will continue to enhance our sustainability efforts, foster transparency, and align with best practices. Together, we can build a more sustainable and prosperous future.

Sincerely,

Dr. Mohamed Farouk,
Chief Executive Officer, ADES Group



Scope of the Report

This report is prepared to demonstrate the Environmental, Social, and Governance (ESG) performance of ADES Group for the year 2022, in line with Tadawul standards. It covers the ESG performance for the period of January 1, 2022, to December 31, 2022. Furthermore, the report includes the operations of the company in KSA, Qatar, Kuwait, Egypt, Tunisia, and Algeria. The United Nations Sustainable Development Goals (UNSDGs) are also taken into account when compiling this report.

The report aims to provide a comprehensive overview of ADES Group's ESG performance, addressing key aspects of environmental stewardship, social responsibility, and governance practices. The environmental performance section of the report highlights the company's efforts to minimize its environmental impact. ADES Group implements various initiatives to reduce its carbon footprint, conserve energy and promote responsible resource consumption. Compliance with environmental regulations in the countries of operation is a priority for the company.

The social performance section focuses on ADES Group's commitment to creating positive social impacts. The company promotes employee well-being, fosters diversity and inclusion, ensures occupational health and safety, and engages in community development activities. ADES Group's efforts to support local communities, provide employment opportunities, and contribute to socio-economic development are key areas covered in this report.

The governance performance section assesses the company's governance framework. ADES Group upholds high standards of governance by maintaining an effective board structure, implementing robust decision-making processes, managing risks, and adhering to regulatory requirements. Transparency, accountability, and ethical business practices are integral to the company's governance approach.

Reporting Approach

ADES Group recognizes the importance of reporting on our Environmental, Social, and Governance (ESG) performance to our stakeholders. We are committed to being transparent and open about our ESG and have accordingly developed an approach that is guided by a set of principles to include sustainability, stakeholder engagement and materiality. It is essential for our company to report on ESG performance to our stakeholders as this demonstrates our commitment to ESG practices, guides our strategic decisions, and helps us identify areas for improvement.

We have adopted an integrated and transparent approach of reporting such that the ESG perspectives are integrated into our financial reporting and are considered an integral part of our business strategy. Our goal is to deliver a comprehensive report that aligns with best practices and standards while providing our stakeholders with a clear understanding of our ESG performance.

Our reporting approach focuses on materiality, which means we prioritize reporting on issues that have the most significant impact on our business and stakeholders within a short span of time. We have identified these issues through a process of stakeholder engagement, which includes listening to the concerns and expectations of our stakeholders. This approach ensures that our reporting is focused on the issues that matter the most and that we are delivering accurate and relevant information to our stakeholders.

We are committed to continually improving our reporting approach and to ensuring that our reports are clear, concise, and easy to understand. Our reports are prepared using a range of data sources, including internal data, third-party data, and industry benchmarks. This approach enables us to provide a complete and accurate picture of our ESG performance and to benchmark our performance against industry standards.



1. About ADES Group

ADES Group's (ADES) story began in 2002 and has grown ever since into one of the leading oil and gas drilling and production services providers in the Middle East and North Africa (MENA) region. We offer clients a comprehensive mix of onshore and offshore drilling services, which sets us apart from our competitors in the region.

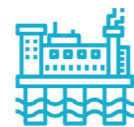
Our main goal is to deliver the world-class oil and gas services that our clients deserve while maintaining an outstanding Health, Safety & Environment (HSE) culture. ADES believes that our highly skilled workforce of approximately 5,275 employees as of Dec 2022 is instrumental in ensuring that we deliver high-quality services to our clients. As a regional champion for drilling services in the MENA region, ADES has expanded its presence in various countries in the region and has established a strong reputation for delivering integrated drilling solutions that meet our clients' rigorous requirements.

Our integrated approach and full-scale Oil & Gas services; from onshore and offshore drilling to full oil and gas projects, have placed us in a dominant position in the MENA region while providing value-creation opportunities for our stakeholders. In May 2021, we successfully executed the de-listing of ADES, in collaboration with our strategic partners PIF and Zamil Group, which marked a significant milestone for our company. Furthermore, our prior listing on the London Stock Exchange (LSE) served as a catalyst for enhancing our ESG framework, enabling us to establish a robust framework aligned with industry-leading ESG practices

Our Services



Onshore Drilling & Workover



Offshore Drilling & Workover



Mobile Offshore Production Unit (MOPU) Services

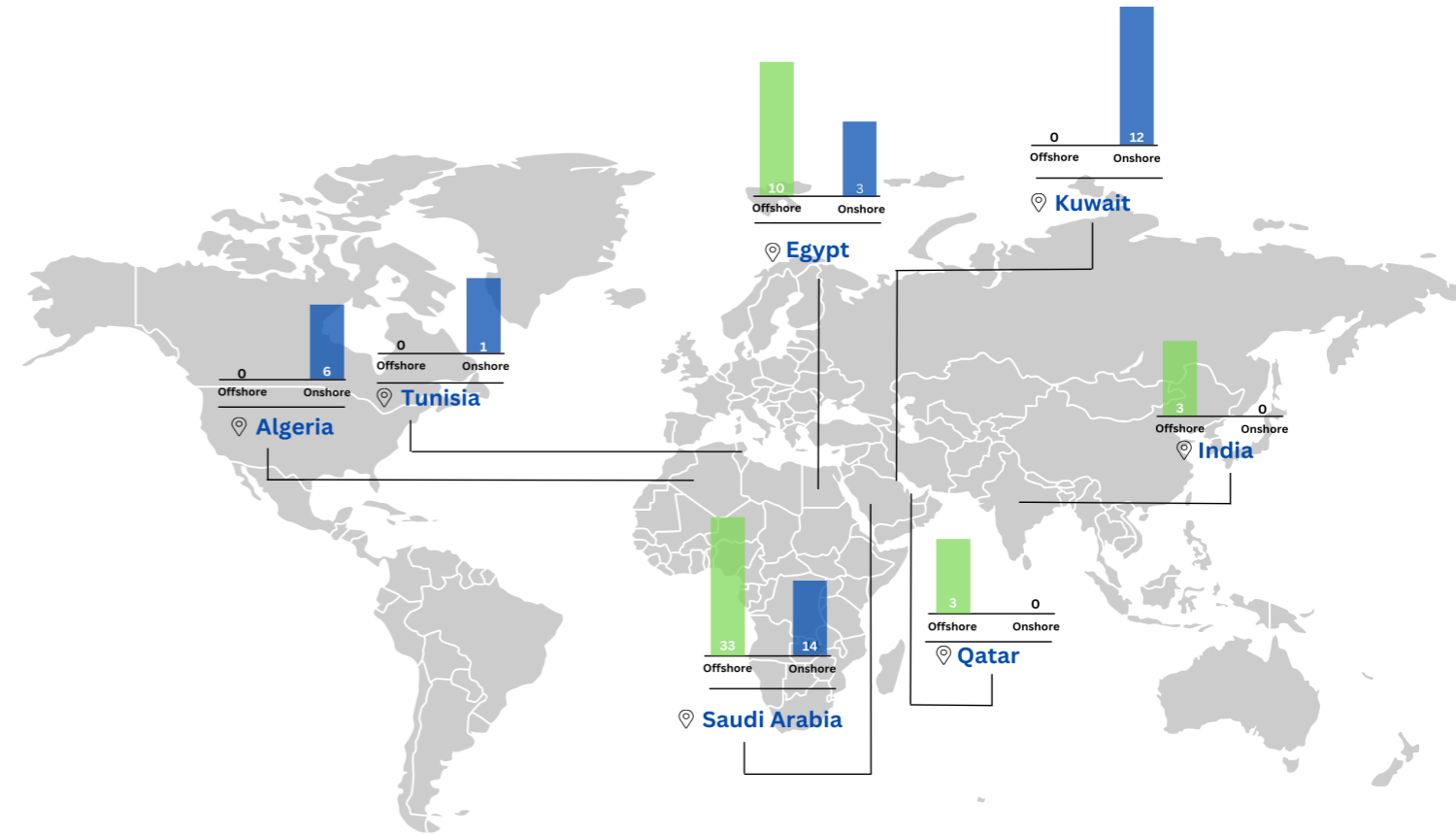


Jack-up Barge and Project Services



Other Services

At ADES, we are committed to our vision of being the oil and gas industry's leading drilling and production partner by serving our clients using underutilized assets while inspiring our people and rewarding our shareholders. We see the future as exceptionally bright and full of opportunities, and we are focused on capitalizing on these possibilities to expand our fleet by adding new rigs to meet the growing demand for drilling services in the region. As we look ahead, we are continually seeking new ways to improve our services, technology, and operational efficiencies to deliver sustainable value to our stakeholders.



Country	Rig Type	Well Types
Saudi Arabia	Onshore and offshore	Oil, Gas, Water injection and Deviated wells
Kuwait	Onshore	Oil, Gas, and Deviated wells
Algeria	Onshore	Workover wells
Tunisia	Onshore	Oil wells
Qatar	Offshore	Oil, deviated, and Workover wells
Egypt	Onshore and Offshore	Oil and Deviated wells



VISION

To be the oil and gas industry's leading drilling and production partner by serving our clients using underutilized assets. Inspiring our people and rewarding our shareholders



MISSION

To deliver cost-effective and client-centric services that meet the industry's best practices in quality health, safety, and environmental impact by leveraging proven oilfield services technologies, experienced professionals, and deal-making agility

CORE VALUES



Safety

Personal and operational safety is our greatest responsibility, followed by the protection of our environment, company property, and customer property.



Integrity

Ensuring that our individual and corporate actions are bounded by honesty and ethical conduct.



Customer Focus

All of our decisions are taken with the customer in focus. We aim to add value for our customers.



Performance

Providing a level of service which exceeds the expectations of our customers with environmental conscious.



Agility

Being alert to changes and moving quickly and decisively to meet the challenges that emerge from such changes.



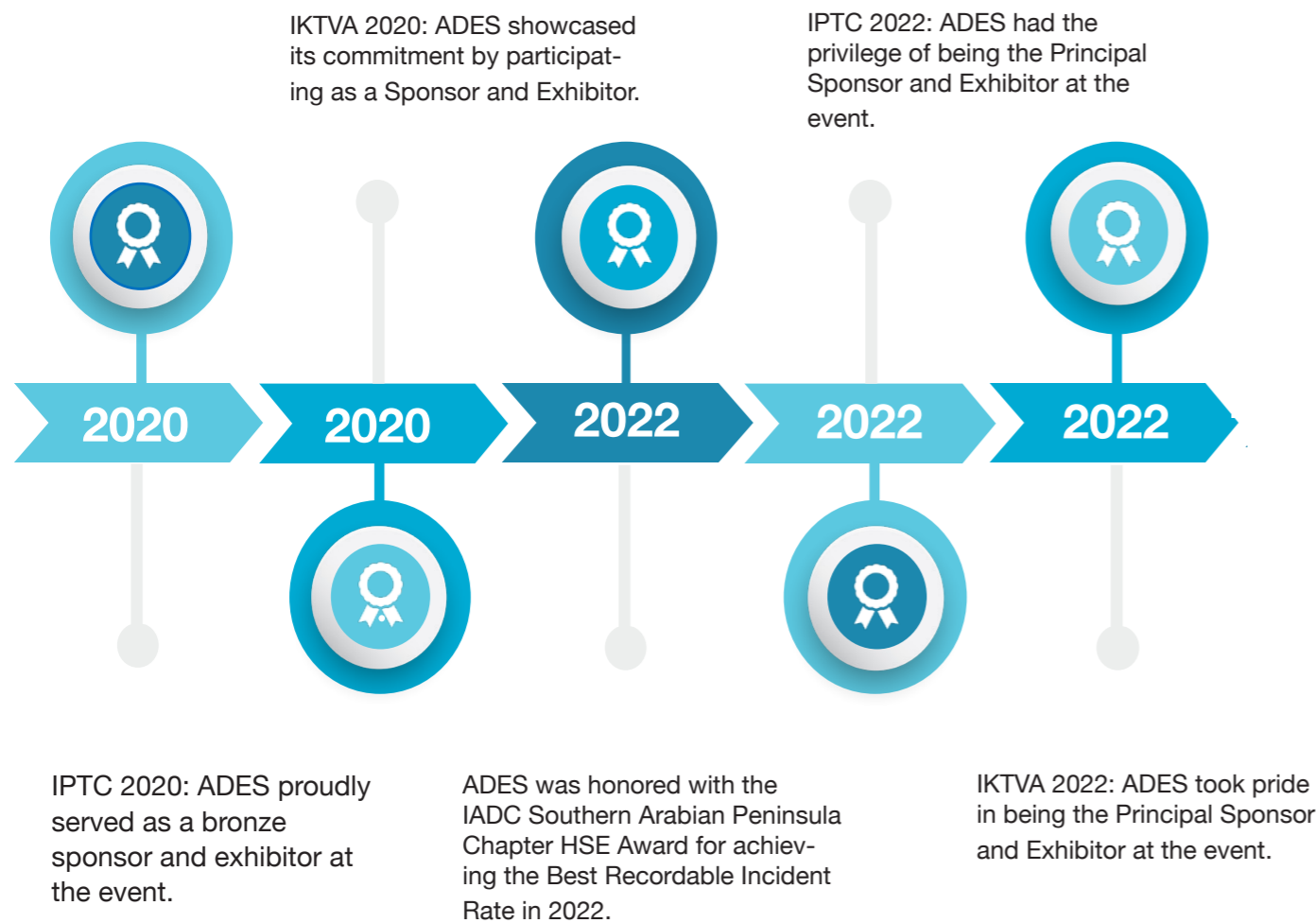
Innovation

Promoting an innovative culture and attitude by applying creative thinking to everything we do.

1.1 Awards and Achievements

We are proud to share the remarkable achievements and milestones that ADES has attained in recent years. Our commitment to excellence, safety, and industry participation has garnered recognition and accolades from prestigious organizations. These accomplishments are a testament to our unwavering dedication to delivering exceptional services and fostering strong partnerships within the energy sector.

From receiving esteemed awards to actively engaging in sponsorships and exhibitions, ADES continues to demonstrate its commitment to driving innovation, sustainability, and the development of local talent. We invite you to explore the significant milestones and honors that have shaped our journey:



1.2 ESG at ADES Group

ADES Group has emphasized and established robust guidelines by institutionalizing an Environmental, Social, and Governance (ESG) mindset, which has helped shape our performance and sustainability initiatives. Our company clearly understands the importance of these key areas and their impact on our business and stakeholders. We are committed to integrating sustainability into all areas of our operations, from our governance practices to our environmental and social responsibilities. As a result, we have developed an integrated sustainability framework that aligns with our core values and business objectives.

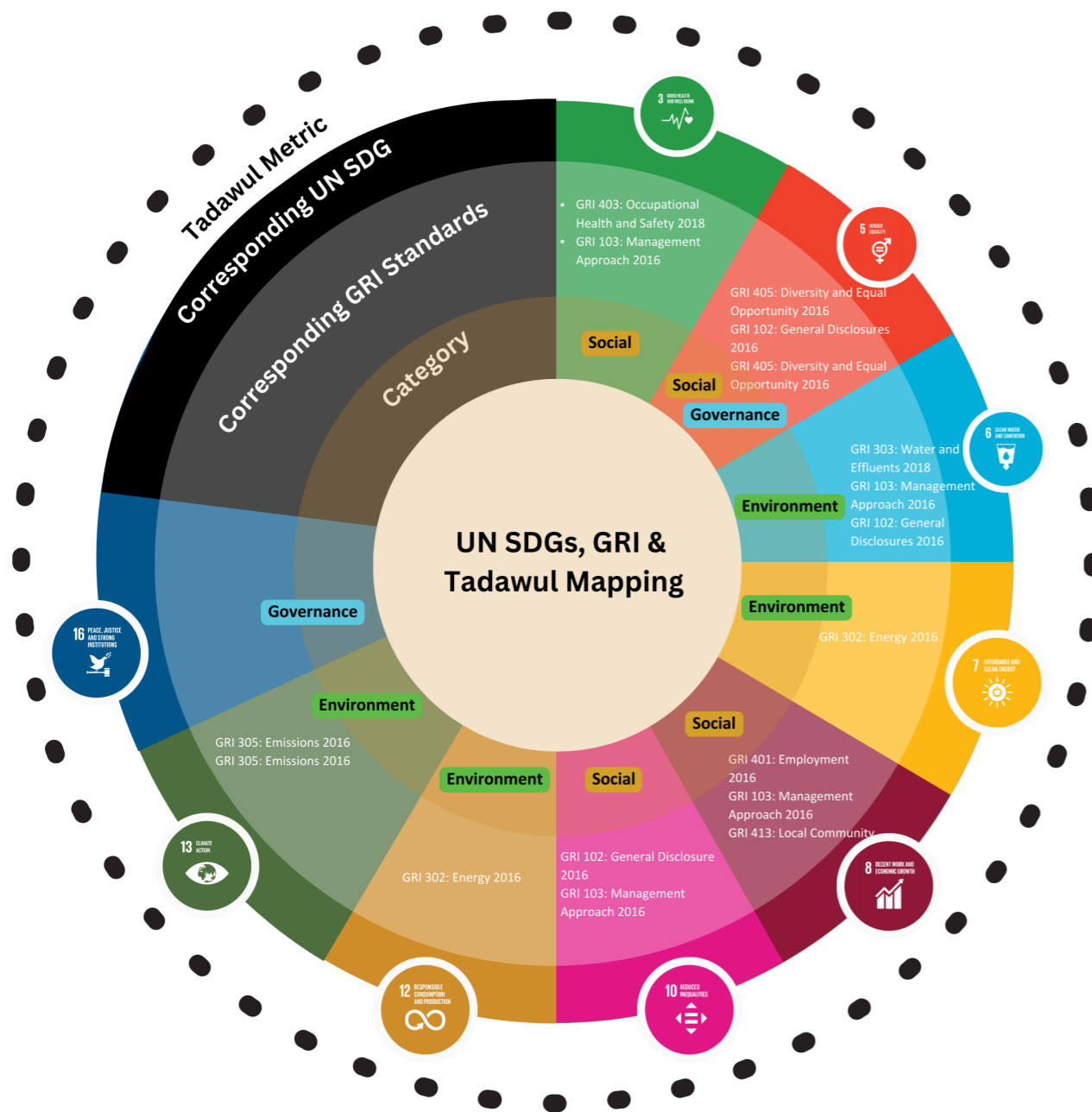
We recognize that our operations have an impact on the environment and the communities that we operate in, and we take our responsibility for minimizing this impact very seriously. The long-term success of our business is linked to our ability to strike a sustainable balance between financial performance and social and environmental responsibility. Our commitment to reducing our carbon footprint, investing in clean energy, and minimizing waste is a testament to our dedication to sustainability.

In addition, our company places high value on our social responsibilities and considers our contribution to the local communities as an integral part of our business objectives. We believe that our success should not be achieved at the expense of local communities and are committed to upholding our social responsibilities and creating a positive impact in the communities we operate. For instance, we have humbly contributed to the Aljoud Foundation, aiding them in their noble mission of providing diverse social services. We feel privileged to be involved in food services, distributing meals and Ramadan food boxes, distributing clothing and blankets in cold areas, facilitating Hajj and Umrah, and refurbishing and equipping charity banquet halls. We have also supported VeryNile in empowering Cairo fishermen which has provided additional income and access to health and education services for the fishermen. We are particularly proud of our efforts to engage with the local communities where we operate, like our association with Baheya foundation, in nurturing their wellbeing through economic and employment opportunities.

We believe in maintaining the highest standards of corporate governance and ethical conduct, and we place great emphasis on transparency and accountability. We believe that a strong corporate governance structure should promote effective decision-making, transparency, and accountability to shareholders, regulatory bodies, and other stakeholders. We realize that governance is an ongoing activity and are proud to be complying to them as per the international standards that we continue to achieve and improve upon like Quality System Certifications (ISO 9001), Safety System Certification (ISO 45001), and Environmental System Certification (ISO 14001). Our endeavor remains to maintain the highest levels of governance across the group and make it accessible to all the relevant stakeholders.

Overall, our ESG mindset is a key part of every business decision we make and we recognize that these guidelines are vital to the long-term sustainability of our business and the local communities. We will continue to be proactive in developing and executing our ESG strategy while remaining agile and responsive to the evolving social and environmental landscape. We believe that this approach will enable us to achieve our long-term financial and strategic objectives while fulfilling our responsibility to our stakeholders, our workforce, and the environment.

ESG practices at ADES is based on UN SDGs, GRI, and Tadawul principles.



1.3 Our Approach to ESG

Our ESG approach guided by transparency, accountability and materiality prioritizes on issues that have the most significant impact on our business and stakeholders. We believe that transparent reporting on our ESG performance is a key part of building trust with our stakeholders and demonstrating our commitment to sustainable business practices.

The first step towards ESG reporting starts with data collection. We are proud to be amongst the few early adapters of ESG data collection with the early initiatives adapted for more than half a decade now. At the onset, we initiated ESG data collection through effective materiality assessment from our operations in Egypt in 2017. As we continue to improve our collection mechanisms, we expanded our focus towards the rest of the entities and within a short span of 2 years, have successfully integrated ESG data collection as an inherent part of operations across most of our entities.

In terms of Environment, we are committed to minimizing our impact on environment by reducing our carbon footprint, reducing waste, and investing in clean energy. Some of the measures implemented by our group, including implementation of energy-efficient technologies like drilling technology optimization and process improvements, have set new benchmarks on environmental stewardship in the regions that we operate. Our operations are conducted in compliance with environmental regulations and standards, and we are continuously seeking innovative ways to minimize our impact on the environment. Furthermore, as a responsible corporate entity, we recognize that our business plays a crucial role in contributing to the achievement of the United Nations Sustainable Development Goals (SDGs). We firmly believe that the SDGs provide a comprehensive framework for addressing the world's most pressing social, economic, and environmental challenges.

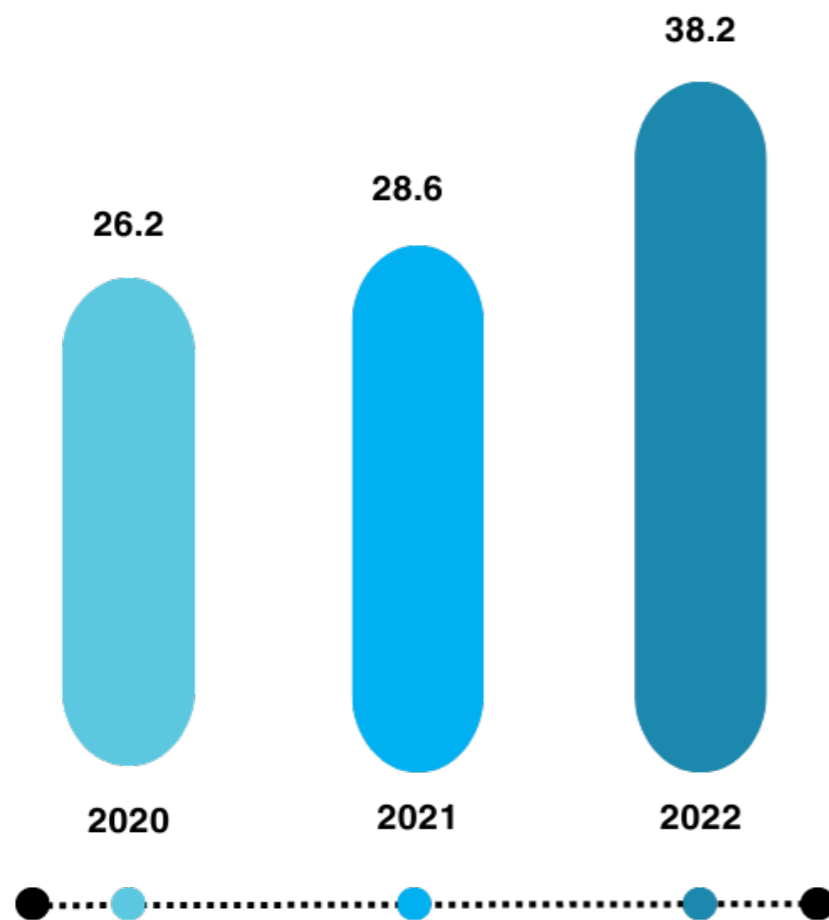
In terms of Social, we are committed to creating a positive impact by empowering local communities through employment and other economic opportunities and investing in community development initiatives. Our actions including reduced water consumption through smart potable water tabs and use of water colliders instead of water bottles, speak for our continued adherence to local well being.

We prioritize stakeholder engagement and consider it an essential element of our social responsibility. We engage with local communities to understand their concerns and expectations, and these have become integral part of our decision-making processes.



In terms of Governance, we have established a robust corporate governance structure that promotes effective decision-making along with transparency, and accountability.

Payment to Government (USD Million)



1.4 ADES Sustainability Framework

ADES has started its ESG journey since 2017, and has been collecting its ESG data annually. Year after year ADES has shown progress in this sustainability journey.

ADES established an ESG framework throughout its business, with a key focus on people, processes, and plants (as shown below, indicative figure, and infograph design will be updated in the final design).

Key Pillars of Health, Safety & Environmental Strategy



Key Highlights of ADES ESG Framework

ENVIRONMENT

- 6% emission reduction target by 2030
- Net zero by 2050 ambition
- Multiple emissions reduction initiatives through technical approaches
 - Hybrid solutions for energy source
 - Multi engine optimizer
- Solar lighting system applied on land rigs specific areas like yards, security gates
- Formal service agreement with certified and government approved waste management.

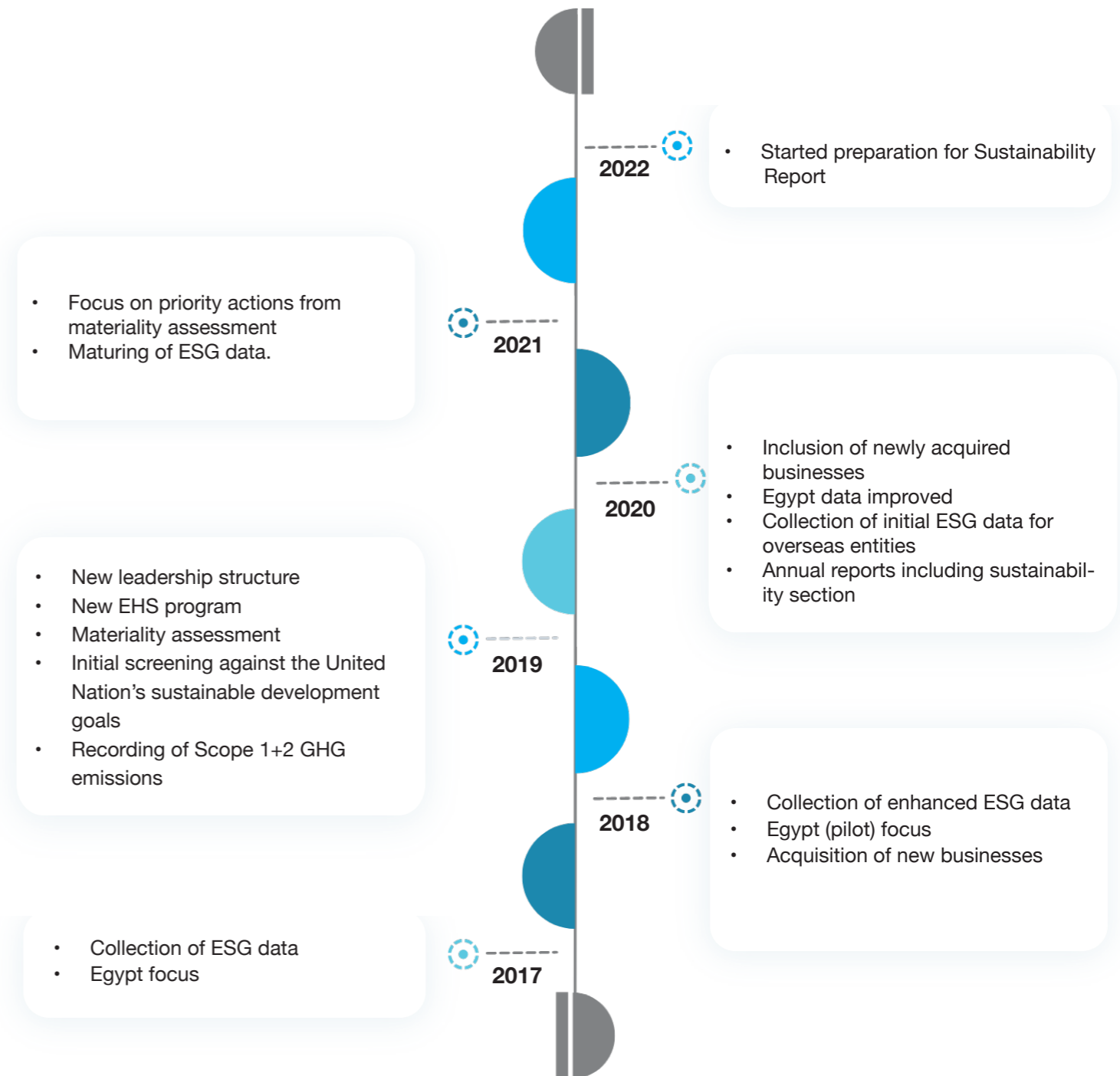


SOCIAL

- Health, safety and wellbeing of employees are core to the way ADES operates.
- RIR1 of 0.10 in 2022 (well below IAD2 average of 0.67).
- Under Aramco's In-Kingdom Total Value Add (IKTVA) program, ADES achieved a Score of 44%
- Dedicated talent programs, ranging from internship programs to leadership and talent programs.

GOVERNANCE

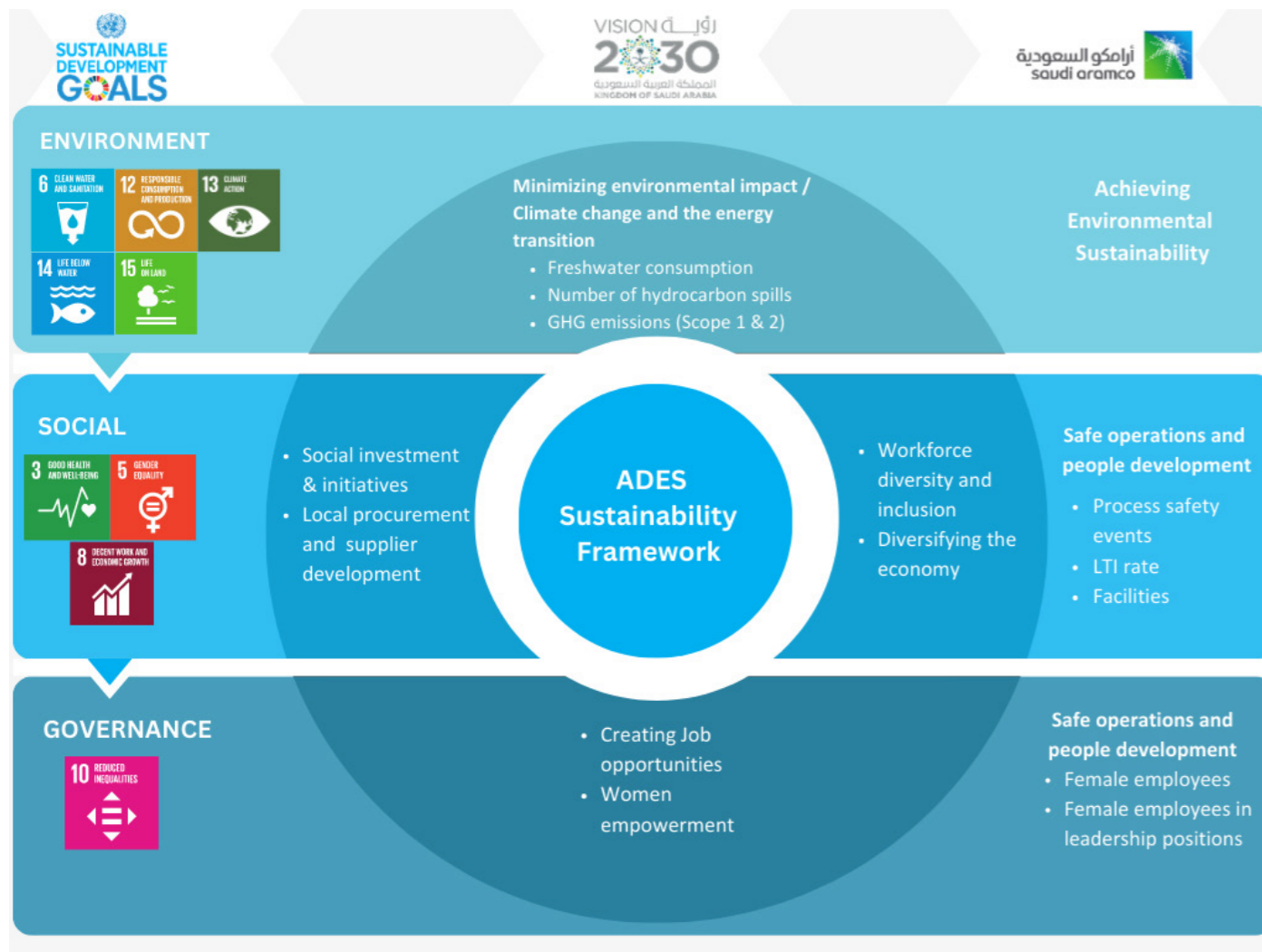
- Clear policies and practices in place to protect the environment, human rights and operate to the highest ethical standards.
- Supply chain policies in place for ADES suppliers to meet ADES ESG efforts.
- Strong governance framework with experienced board.
- Ambition to hire more female employees



1.5 UN Sustainable Development Goals

The UN SDGs are a set of 17 interconnected goals that aim to address global challenges such as poverty, inequality, and climate change. As a responsible corporate citizen, we are committed to contributing to these global efforts and have identified the following SDGs as being particularly relevant to our business:

ADES ESG Framework

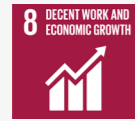


3 GOOD HEALTH AND WELL-BEING

SDG 3 - We are dedicated to promoting good health and well-being through our business practices and initiatives. Our aim is to create a positive impact on the health and well-being of our employees, customers, and communities. We prioritize the provision of a safe and healthy work environment and actively encourage employee wellness programs. Additionally, we ensure access to essential healthcare services for our workforce. Furthermore, we actively seek opportunities to support health and safety initiatives, and our commitment to Sustainable Development Goal 3 (SDG 3) is a core aspect of our sustainability strategy. We continuously strive to innovate and enhance our contributions to global health and well-being. We firmly believe that a healthy workforce and community are essential for achieving sustainable development and creating a brighter future for all.



SDG 5 - We are committed to establishing an inclusive workplace that celebrates diversity, offering equal opportunities for growth, development, and advancement to all employees, irrespective of gender. Our dedication to fostering a culture that promotes gender equality and empowers women ensures a work environment that is free from discrimination and harassment. The pursuit of gender equality lies at the core of our sustainability strategy, driving our efforts to address gender disparities, challenge biases, and instigate positive change. We recognize that achieving gender equality is not only a moral imperative but also a crucial catalyst in building a more equitable and prosperous world for everyone.



SDG 8 - Decent Work and Economic Growth We recognize the importance of providing decent work and economic growth to promote sustainable development. We prioritize stakeholder engagement and consider it essential to our social responsibility. We are obliged for the development in our local community, and for this, we are creating many local jobs opportunities. We provide employment and other economic opportunities to local communities, which helps to empower them and foster economic growth. We pay special attention and care to community health, Security risk management, Occupational injury and illness incidents.



SDG 6 - As part of our sustainability efforts, we strive to minimize our water footprint and promote responsible water management practices throughout our operations. We are dedicated to implementing water-efficient technologies, recycling water where possible, and continuously improving our water stewardship. SDG 6 is an integral part of our corporate social responsibility, and we are determined to make a positive impact on water availability and sanitation in line with the United Nations' goals. Through our actions.



SDG 10 - Our commitment to SDG 10 is reflected in our corporate values and actions. We strive to create an inclusive and diverse workplace, where all employees are treated with respect and provided equal opportunities for growth and advancement. We actively promote diversity and work towards eliminating any forms of discrimination or bias within our organization



SDG 12 - Responsible Consumption and Production We recognize the importance of responsible consumption and production to promote sustainable development. As a company, we are committed to minimizing our impact on the environment by reducing waste and investing in clean energy.



SDG 14 - As a socially responsible company, we are fully committed to minimizing our impact on the marine environment. We place a strong emphasis on implementing sustainable practices across our operations to reduce marine pollution, preserve marine biodiversity, and ensure the sustainable utilization of marine resources. Our dedication to SDG 14 is at the core of our sustainability strategy, driving us to actively embrace the role of ocean stewards and advocates for marine conservation. Through concrete actions, active advocacy, and promoting responsible behaviors, we strive to make a meaningful contribution to the protection and well-being of our oceans.



SDG 13 - Climate Action We recognize the importance of taking climate action to promote sustainable development. We have implemented various measures to reduce our emissions, including the implementation of energy-efficient technologies and practices such as drilling technology optimization and process improvements.



SDG 15 - As an integral part of our sustainability commitment, we prioritize minimizing our ecological footprint and adopting responsible land use practices. Our dedication lies in safeguarding and revitalizing natural habitats, promoting reforestation and afforestation initiatives, and actively engaging in land restoration programs.

ENVIRONMENTAL STEWARDSHIP

2 Environmental Stewardship

Environmental stewardship is a key pillar of our corporate responsibility, and we are committed to minimizing our impact on the environment throughout our operations. We strive to achieve this by adhering to the highest environmental standards and implementing innovative solutions that promote sustainability and resource conservation. And over the years, ADES has run multiple initiatives to reduce emissions through technical approaches like controlling loads on engines based on the type of operations, hybrid solutions for energy source and multi engine optimizer.

ADES team has pioneered multiple initiatives in our continuous drive towards energy efficiency and sustainable operations. Some of the initiatives include:



Lithium ion based battery storage with power management across the engines in the fleet.



Recycling and reconditioning used parts with a target of ensuring 10% of all engine components to be made from re-cyclable components



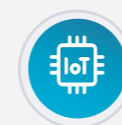
Continuous monitoring of engine performance across all the oil rigs to mitigate any potential deviations in the desired performance



Installation of heaters to ensure engine warmth and thereby minimize Diesel fuel consumption



Leveraging advanced data analytics to map the load profile and minimize inefficient power use



IoT based solutions to monitor vibration and temperature for early stage failure detection

Through these measures, we have achieved significant reductions in our carbon emissions in recent years. We continue to invest in energy-efficient technologies and processes to further reduce our carbon footprint and promote sustainability.

Another environmental aspect we focus on is waste management. We recognize the importance of responsible waste management and have implemented programs that reduce waste generation and support recycling and reuse. Our operations in Egypt capture waste leaving sites for municipal landfill and track these year-by-year. We are committed to monitoring our waste management performance and continuously improving our waste reduction and recycling practices

Water conservation is another environmental aspect that we are committed to. We recognize the importance of water as a precious resource and have implemented measures to reduce our water consumption. We have reduced water consumption through initiatives like smart potable water tabs and encouraged the use of water colliders instead of water bottles. As part of our environmental management system, we have implemented a water conservation program, which includes the use of water-efficient technologies and the implementation of water reduction strategies.



ADES has also applied solar lighting system on land rigs specific areas like yards and security gates. And also equipped our rigs with LED lighting system which reduced our fuel consumption.

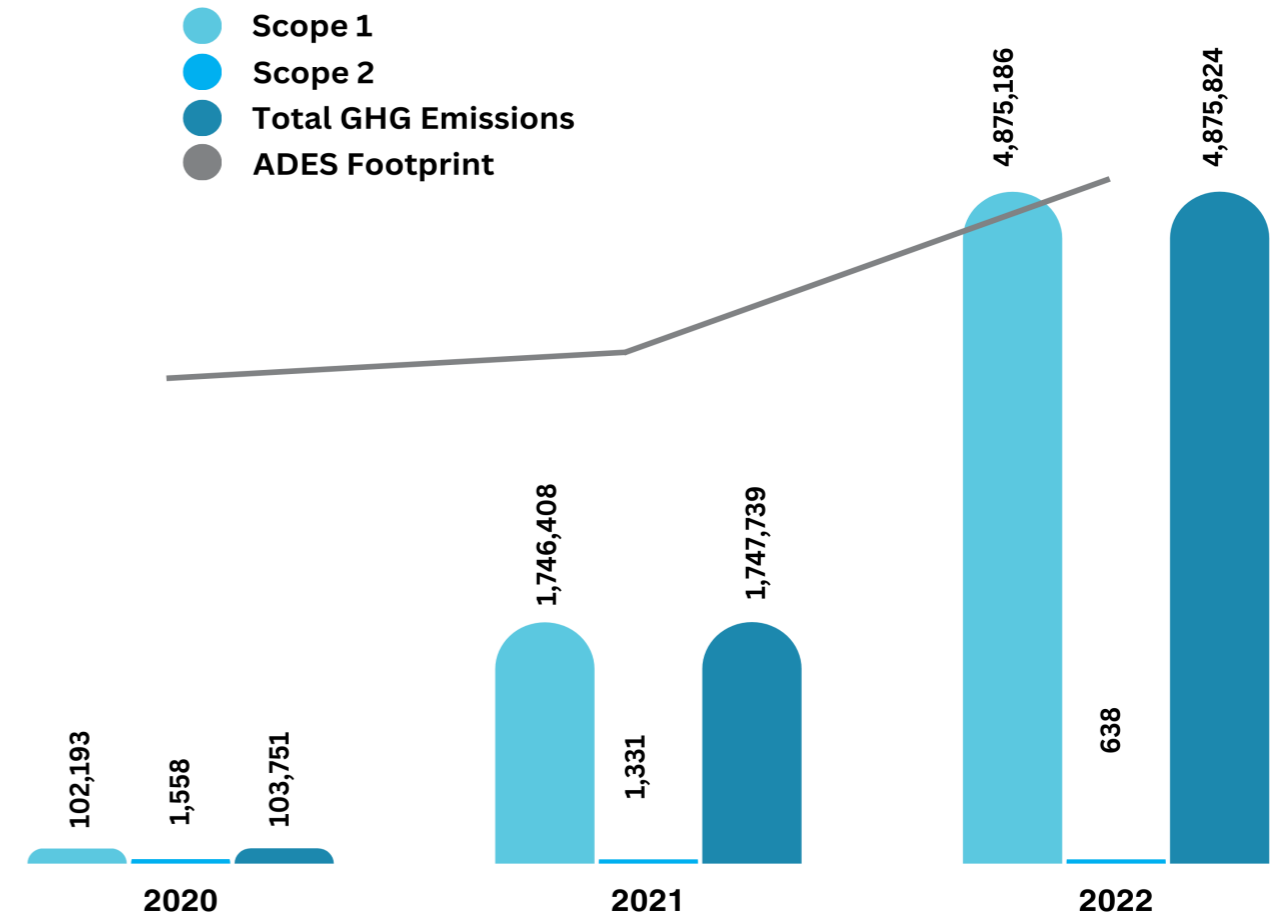
Through new controls, ADES has taken initiatives to reduce emissions. We eliminate debris in engine oil, we have installed metal detectors on all main engines and have installed an extra filtration system for this purpose. We are also implementing a 24/7 online engine performance / parameters monitoring system, which will record engine parameters (like fuel, air, oil, exhaust, etc.) pressure and temperature and will send warning alarms via text messages / emails. We also have a Multi Engine Optimizer (MEO), which reduces fuel, engine hours, CO2 and improves efficiency.

At ADES we are also developing a system to monitor fuel consumption which will compare the difference between actual and theoretical fuel consumption. This project will help us optimize our fuel consumption. This project is in a pilot stage along with an oil condition monitoring system, which will monitor and count ferrous and non-ferrous debris in the oil and will alarm if there are any impurities.

Safety is also an essential environmental aspect for ADES. We are committed to ensuring that our operations are conducted in a safe and environmentally responsible manner at all times. We implement strict safety protocols and procedures to minimize the risk of accidents and protect our people, the environment, and our assets.

2.1 GHG Emissions

Net GHG Emissions (tCO2e)



The increase in the trend of GHG emissions are attributed to increase in the business activities, total working hours and increase in the number of operating fleet during the year of 2021 and 2022.

At ADES, we believe that technology has a crucial role to play in promoting sustainable development by reducing energy consumption and promoting clean energy generation. We have implemented several energy-efficient technologies to reduce our energy consumption and carbon footprint, including the use of automation and optimization of existing systems and processes.

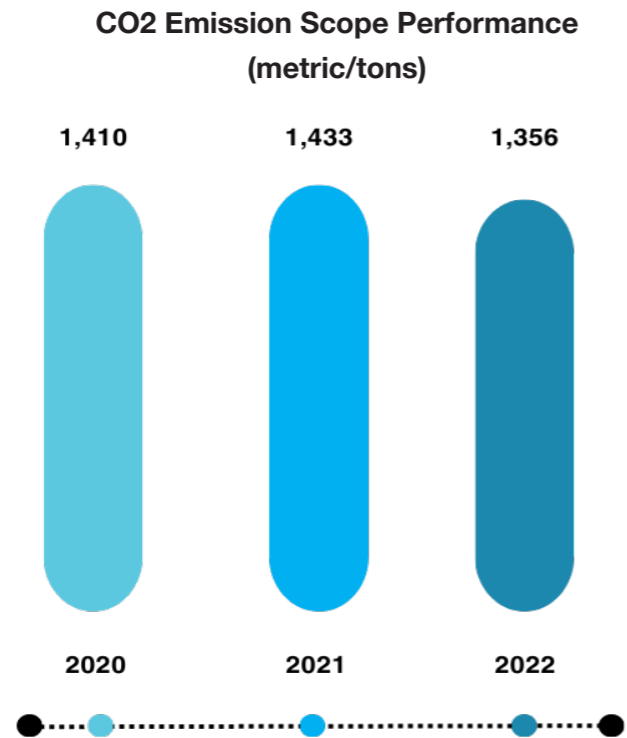
One of our core strategies for energy efficiency is exploring innovative technologies that optimize our operations and reduce energy consumption. For instance, our drilling technology optimization system reduces fuel consumption and improves the performance of drilling operations, making them more efficient and reliable. The optimization system is continuously updated as new data and technology becomes available, to reduce energy use and minimize our environmental impact.

We also leverage the power of data analytics to help us identify areas where we can reduce energy consumption and improve overall efficiency. Our data analytics platform allows us to monitor energy consumption in real-time and identify areas where energy optimization techniques can be implemented. By analyzing energy data, we can identify patterns and trends in energy use and take corrective actions and achieve greater energy efficiency.

Another area where we are using technology to promote energy efficiency is by implementing green energy solutions such as solar power. We have installed solar panels at some of our sites, which allows us to reduce our reliance on fossil fuels and generate clean energy. The electricity generated by solar power contributes significantly to our overall energy mix, reducing our carbon footprint and promoting sustainability.

2.2 Air Emissions

ADES continuously monitors the impact of its operations on the environment and has made significant investments to track the emissions and also make strides in reducing them.

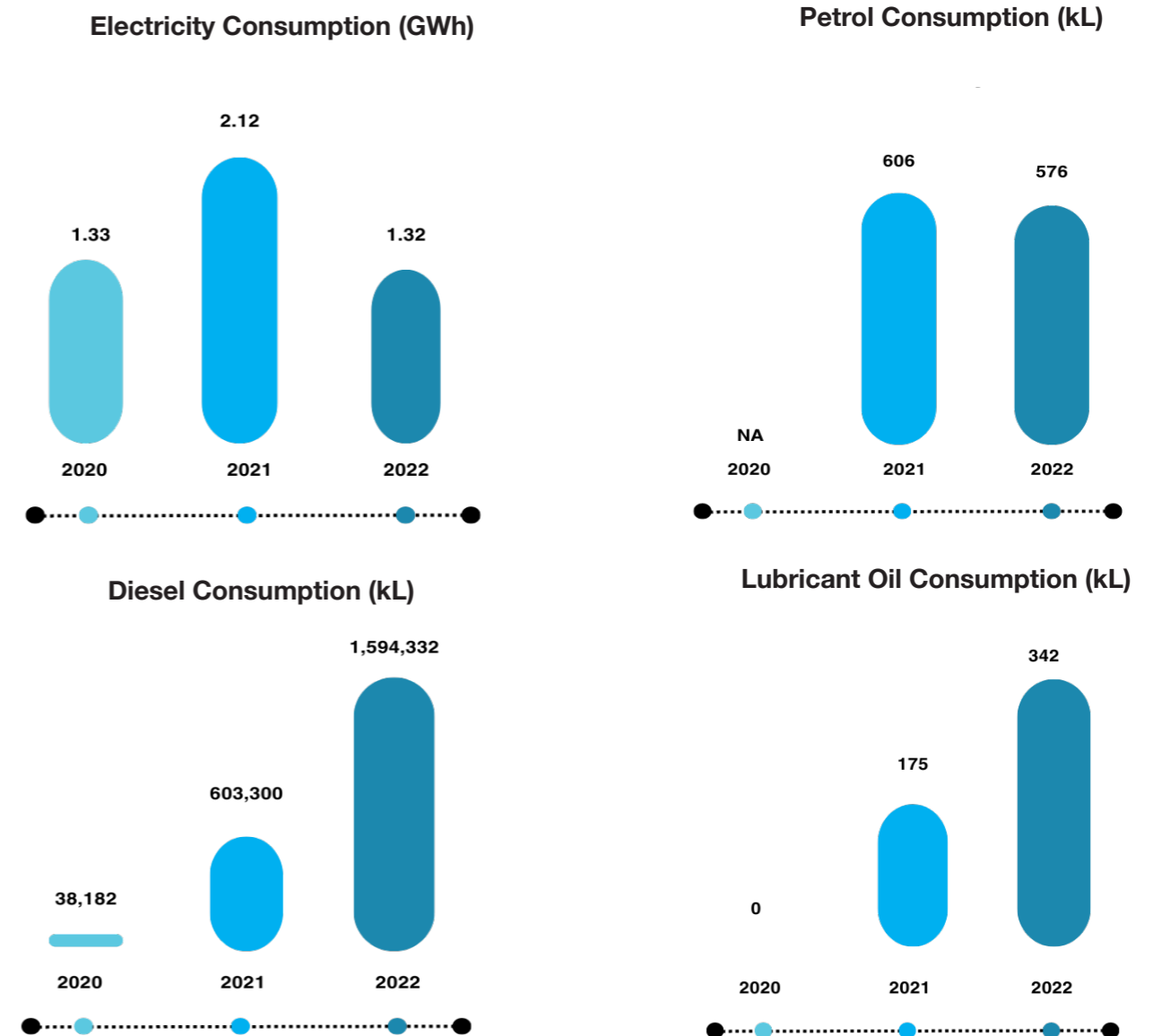


As we continue to improve upon our air quality, we strive to set industry benchmarks in monitoring and measuring the emissions across all our geographical units of operations.

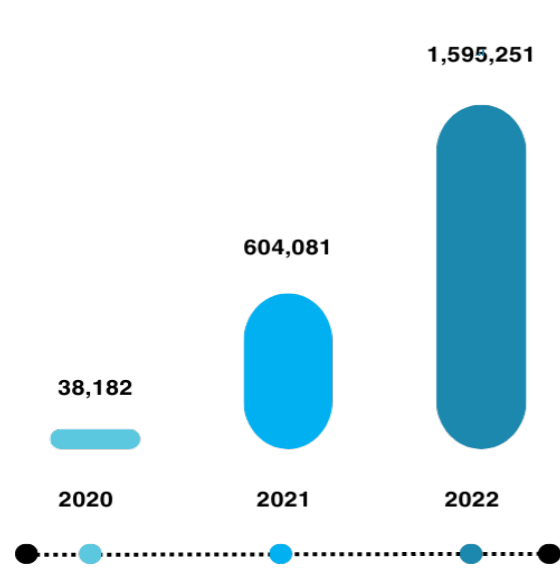
2.3 Energy Transition - Efficient Technology and Sustainable Solutions

Energy transition is the process of shifting from traditional fossil fuels to cleaner, more sustainable forms of energy. At ADES, we recognize the importance of energy transition to promote sustainable development and are committed to play our role to achieve this transition.

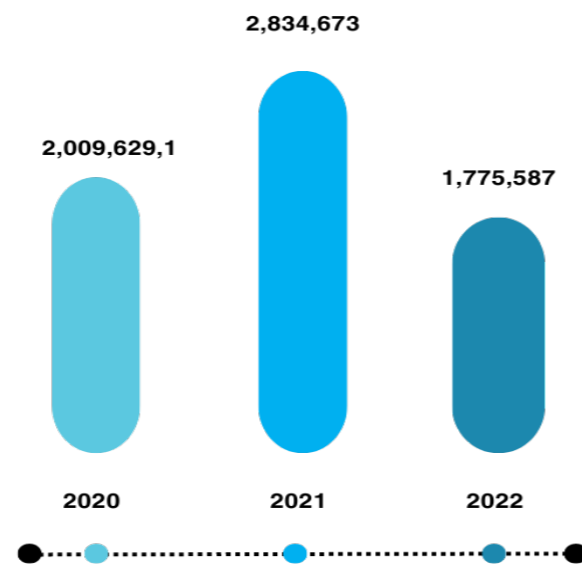
We are dedicated to exploring and implementing efficient technology and sustainable solutions that will help us reduce our carbon footprint and promote clean energy generation. A key part of our approach is to invest in technologies that increase efficiency and reduce emissions, such as drilling technology optimization, which we have implemented to make drilling operations more efficient and reliable. Over the past 3 years, we have worked to reduce our electricity and petrol consumption. By optimizing our systems, we have utilized 0.2 Gigawatt Hours of Electricity less in 2022 than in 2021, and similarly we have reduced petrol consumption to 576.17 KL in 2022, as compared to 605.58 Kiloliters in 2021. However, diesel consumption increased due to our expanded business operations in 2022.



Total Fuel Consumption (kL)

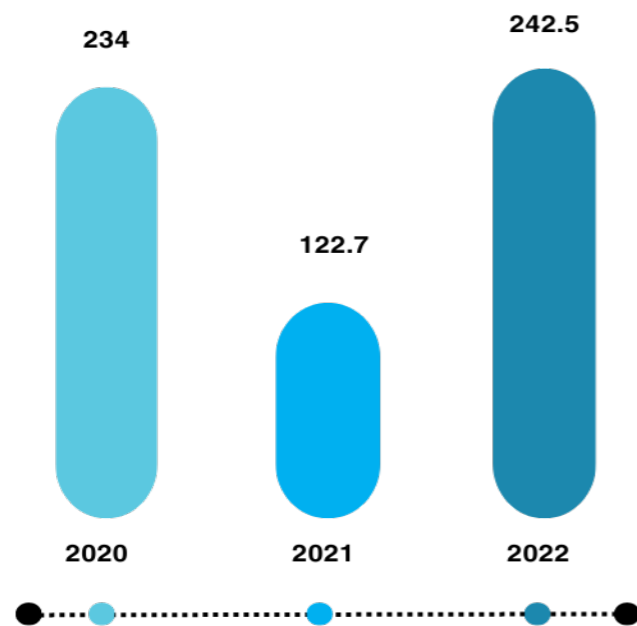


Fresh Water Consumption (M³)



We have integrated energy-efficient practices, such as reducing the use of harmful fuels and implementing waste reduction measures to promote a circular economy that is sustainable. By promoting the use of responsible and sustainable solutions, we are committed to reducing the impact of our operations on the environment to ensure a cleaner and healthier planet.

Non-Hazardous Waste Disposed (Tonnes)



We are also investing in renewable energy technologies such as solar and wind power. This investment has allowed us to increase the share of renewable energy in our portfolio. We will continue exploring new ways to integrate and utilize renewable energy to promote clean energy generation while reducing our fossil fuel consumption.

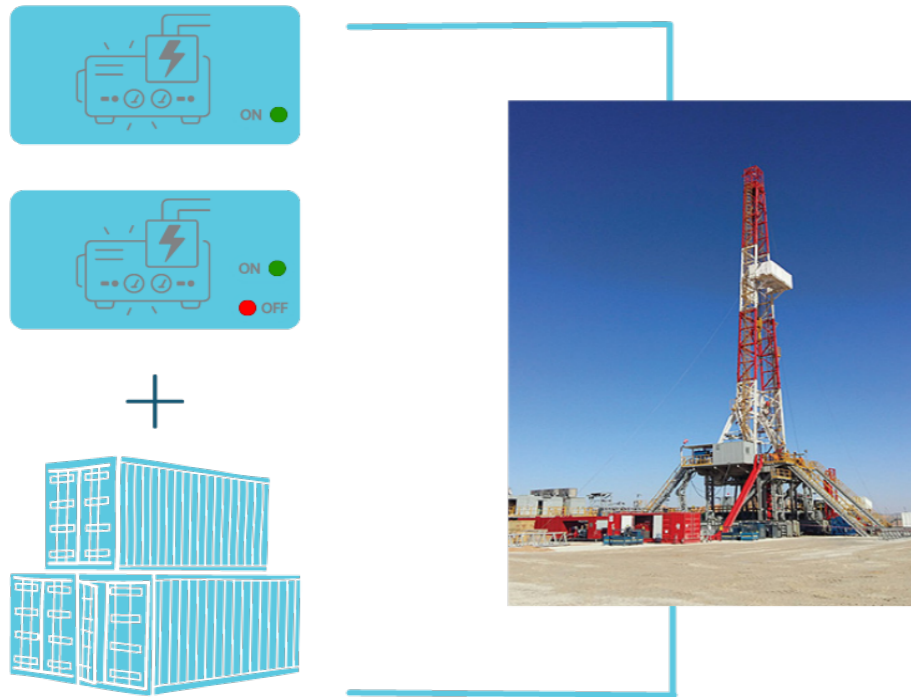
Our primary focus lies in implementing advanced technological solutions to reduce carbon emissions across our rigs and engines. By leveraging these innovations, we enhance the fuel and engine efficiency of our rigs, promoting more sustainable and efficient operations.

2.4 ADES Sustainability Initiatives

ESG Initiatives to reduce emissions through new controls		
S.N.	Projects	Key Features
1	Monitoring the Fuel Consumption - Pilot project	<ul style="list-style-type: none"> Compare between actual and theoretical fuel consumption
2	Monitor Engine Performance/ parameters online 24/7 – implementation stage	<ul style="list-style-type: none"> All Caterpillar electronic engines are connected to Caterpillar RFV2.0. Send warning alarms by email and text messages. Record engine parameters (fuel, air, oil, exhaust,... etc.) pressure and temperature
3	Oil Condition Monitoring online 24/7 – Pilot project	<ul style="list-style-type: none"> Email alarm if there is fuel in oil. Count ferrous and non-ferrous debris.
4	Eliminate Debris in Engine Oil – On going	<ul style="list-style-type: none"> Install metal detector on all main engines. Install extra filtration system.

ESG Initiative battery energy storage solution concept

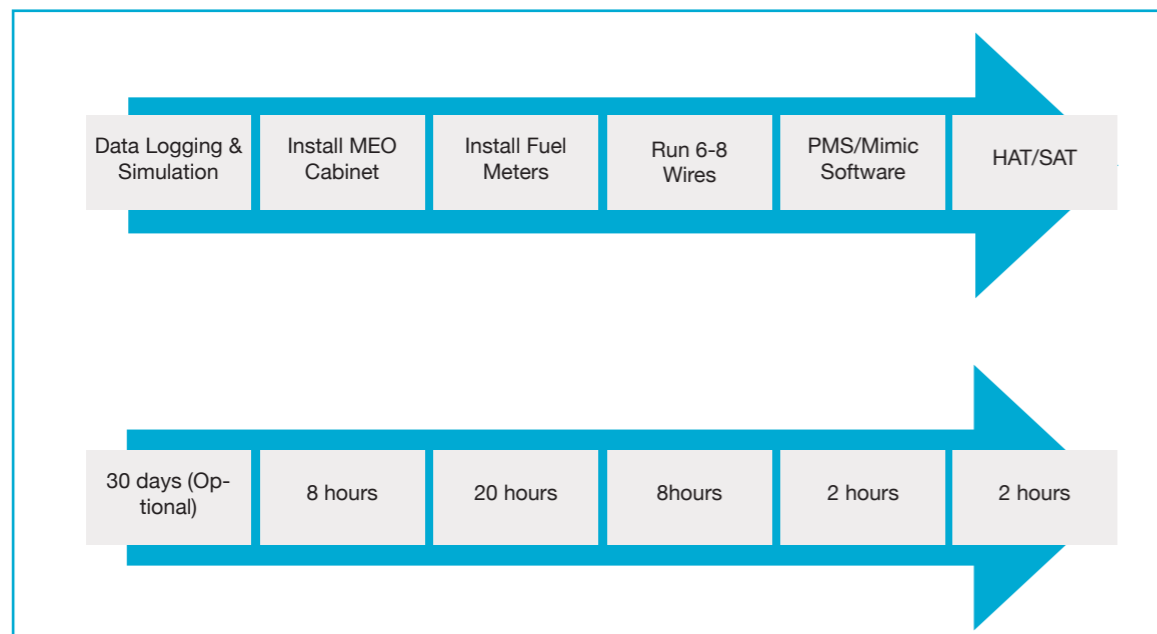
5. Transition from Conventional Configuration to ADES Hybrid Solution



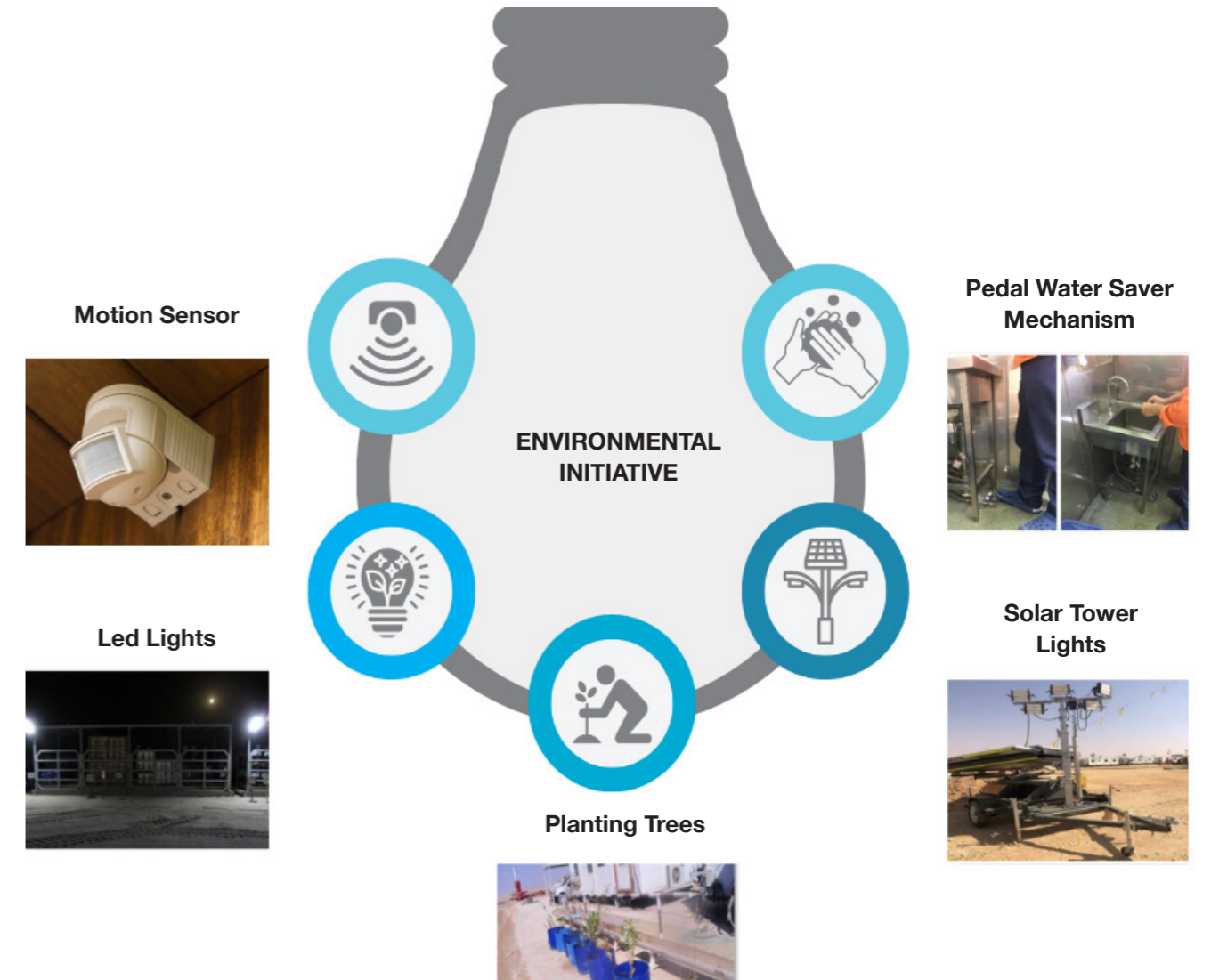
ESG Initiative battery energy storage solution concept

6. MULTI Engine Optimizer (MEO) :

- Reduce Fuel
- Reduce Engine Hours
- Reduce CO₂
- Improve Efficiency



7. ADES minimizing its Environmental Impact and to achieve Net Zero Ambition by 2050





SOCIAL STEWARDSHIP

3. Social Stewardship

At ADES, we understand the importance of social stewardship in promoting sustainable development and creating value for our stakeholders. We are committed to contributing positively to the social fabric of the communities where we operate.

We believe that our operations should leave a positive impact on society while also generating profits. To accomplish this, we prioritize local content development through partnerships with local suppliers, increasing local employment, and investment in education and training. We recognize our critical role as an employer that provides an environment of safety and well-being of our employees.

Community engagement is another essential pillar of our social stewardship efforts. We strive to maintain open and honest communication with the communities where we operate and other stakeholders. Through regular engagement, we seek to understand the unique needs of each community and craft proactive measures that promote social development. We are keen to ensure that our operations benefit the local communities and help improve social welfare, foster social resilience, and promote long-term growth and stability.

We also prioritize health and safety, and we aim to create a safe and healthy work environment for our employees and partners. We implement rigorous health and safety protocols and procedures to minimize the risk of accidents and protect our people and assets while creating a positive working environment that fosters teamwork and innovation.

As part of our commitment to social stewardship, we also support various social development initiatives, philanthropic activities, and community outreach efforts. One such example is our budding partnership with Baheya Foundation, which is dedicated to providing high-quality cancer care to underprivileged women in Egypt. Our commitment to Baheya Foundation aligns with our values as a socially responsible corporation and highlights our desire to contribute to the well-being and dignity of individuals in society.

3.1 Human Capital Development

At ADES, we recognize that our team members are our greatest asset, and we are committed to the development and growth of our workforce. As a result, we have laid special emphasis on human capital development that is designed to enhance the skills and knowledge of our team members, improve job performance, increase productivity, and drive innovation.

To achieve this, we have implemented programs to build different capabilities inline with overall strategy, attract top talent and develop our employees' skills and competencies. We prioritize job training and development, focus on attracting and retaining top talent, and provide fair and equitable compensation and benefits. We are committed to providing our employees with opportunities to learn, grow, and succeed while also providing a safe, healthier and inclusive work environment.

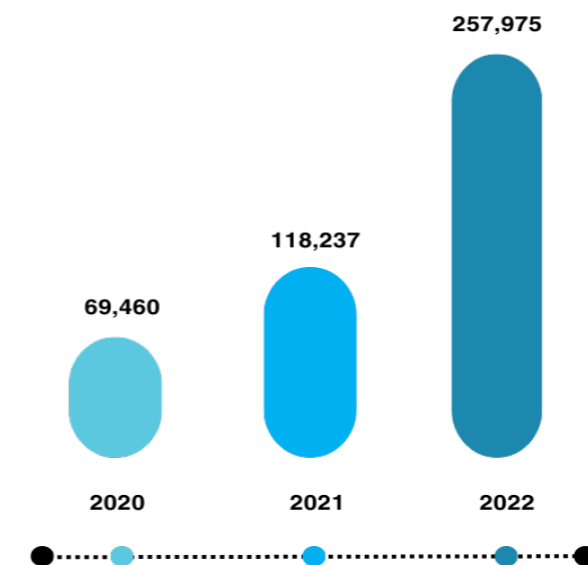
Our approach to human capital development encompasses the complete life cycle of employee in a specific role including employee training, performance management, career development, and succession planning. New hires at ADES undergo extensive onboarding and orientation programs designed to help them acclimate to the company's culture, values, and policies. Upon arrival, rig employees are assigned a mentor, who assists them in implementing the SSE variance threshold per shift.



Our Good to Great Journey

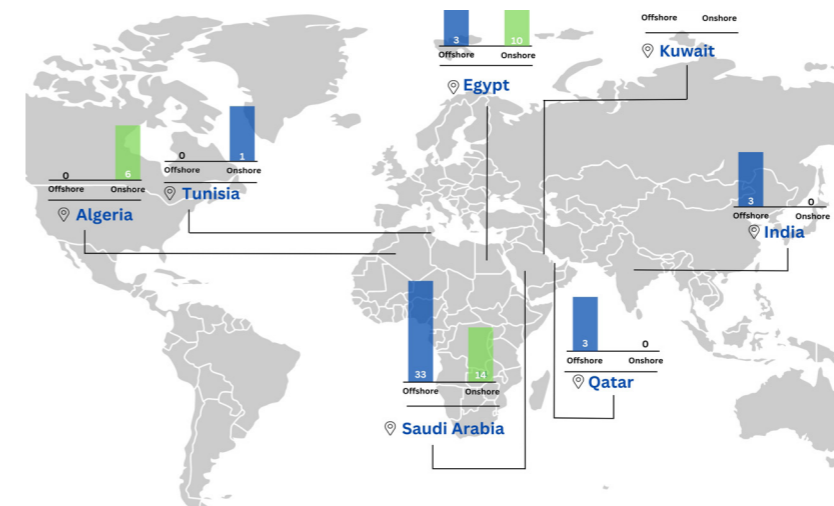
We also invest in employee training and development, providing access to programs, and courses that increase the knowledge, skills, and abilities of our employees. We manage all our Training & Competency through Skills VX Software and have empowered our Rig Managers and large section of our employees to monitor and enroll for applicable courses by themselves. Of late we have been investing heavily on different e-learning courses and have made available several courses online for our employees. Our training programs are designed to enhance employees' technical and soft skills, improve their performance and efficiency on the job, and prepare them for new roles and leadership positions.

Total Employee Training Hours



The figure shows the hours spent on Employee Training. In 2022, we invested over 250,000 hours for employee training.

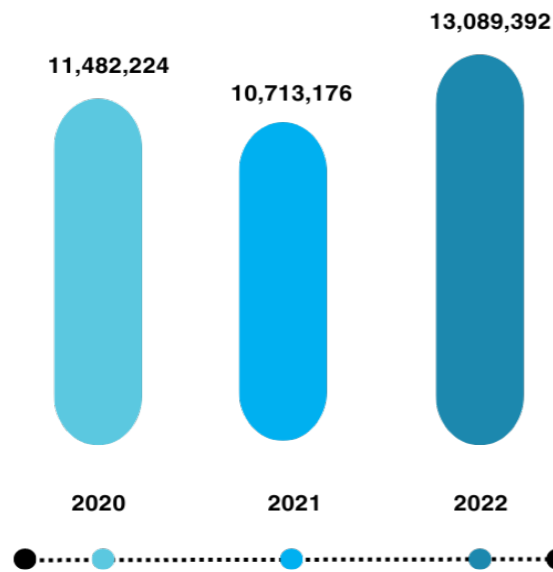
Total Number of Employees



Our workforce increase about 43.56 % in 2022

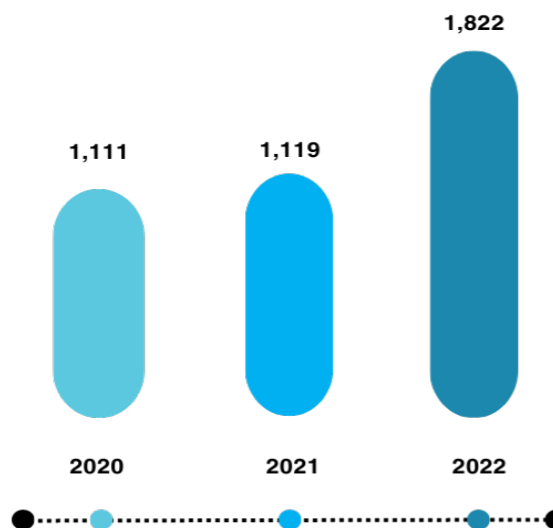
We prioritize performance management through regular feedback and coaching sessions, goal setting and aligning the employee goals with the business objectives. We also provide employees with transparent career development paths so they can advance their careers and achieve their professional goals within the company. Additionally, we place a strong focus on succession planning, ensuring that our employees are prepared to take on additional responsibilities and leadership roles when the need arises.

Total Man-hours Worked



We also emphasize diversity and inclusion in our human capital development efforts. We recognize that diverse teams drive innovation and creativity, which is why we work to attract, retain and promote employees from various backgrounds and with diverse expertise, cultures, and experiences. We promote a culture of respect, fairness, and equity, where employees feel valued and supported. We celebrate diversity and inclusion by providing opportunities to support and engage with events and initiatives that enhance diversity in the communities where we operate.

Number of Suppliers



3.2 Training and Education

At ADES, we believe that training and education are key to unlocking the potential of our workforce and driving organizational success. We have implemented a comprehensive training and education program that is designed to develop the skills and knowledge of our employees and promote their professional growth.

We invest in employee training to enhance our workforce's technical and soft skills, improving their job performance and efficiency. Our training programs extend to our new hires onboarding, on-the-job training, and leadership development workshops. We run a 3-month training program for our employees as soon as they join in, which comprises of orientations and awareness sessions. We create opportunities for learning and development across our organization by offering various training methods such as online courses and immersive in-person workshops.





We provide training opportunities customized for individuals to help them achieve their professional development goals. We have developed a Learning and Development program grounded in opportunities that include internal training, taking courses and certifications for industry-specific skills, or pursuing academic degrees that benefit the needs of the organization. We prioritize continuous learning and growth, encouraging employees to seek out new ways to develop their skills and knowledge.

Our focus on education supports employees who wish to pursue educational opportunities that align with their professional goals and organizational objectives. We offer financial assistance and encourage employees to pursue higher education courses that benefit their role in the company. This program provides education opportunities to underprivileged members of society who face financial limitations regarding continuing education.

The Training and Education program is regularly monitored through a performance management system that aligns business objectives with individual development plans, where the employee is accountable and committed to the development of his/her skills and supported by management to achieve that objective.

We believe that investing in our employees' training and education enhances our workforce's technical and soft skills resulting in the success of the company. Our approach ensures that our employees remain competent, knowledgeable, and driven to deliver quality work, which has resulted in a workforce capable of meeting short-term objectives and adapting to long-term growth strategies.

3.3 Social Initiatives

At ADES, we believe that fostering social welfare and promoting community development are key components of our corporate social responsibility. We strive to demonstrate unyielding commitment to supporting social initiatives that help to make a meaningful difference in the lives of those in our communities.

One such program is the Baheya Foundation, which we are proud to support through philanthropic activities. The foundation is dedicated to providing high-quality cancer care to underprivileged women in Egypt. Our support of Baheya Foundation aligns with our goals as a socially responsible corporation, highlighting our desire to contribute to the well-being and dignity of individuals in society. We support this foundation by organizing fundraising events, making donations and increasing its exposure among our staff as well as amongst the public.

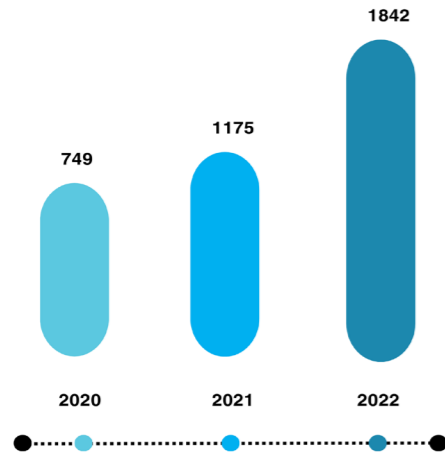
Additionally, the Group continues to be a main sponsor for the Al-Nas Children's Charitable Hospital, which is considered the largest medical centre of excellence in the Arab region and Africa with a capacity of 600 beds. The Group contributes to the funding of this healthcare complex, which is expected to serve over 20,000 in-patients and 400,000 outpatients on an annual basis. The hospital's five buildings have been completely renovated, which has equipped the hospital with 557 hospital beds, 10 operating rooms, 140 intensive care units, 4 cardiac catheter units, and 48 outpatient clinics. This initiative aims to attract the best doctors, specialists, nursing teams and technicians, combined with the latest advances in modern medical equipment.

Moreover, we recognize the indispensable role of SMEs in strengthening local economies and providing jobs in the regions where we operate. By supporting small local businesses, we invest in the well-being of the communities, stabilize markets, create local content, and establish value in the supply chain. Local procurement, social investments, and initiatives also aid in upliftment of society and contributing to social growth. As shown below, we are utilizing local employees and suppliers in our operations, however in 2022 our local suppliers reduced to 41%, due to the rapid expansion where ADES has utilize ready to work resources from other geographies to maintain the demand for our expanding operations. ADES is committed to support the sustainable development of the regions where we operate. We also offer summer internships to train future pioneers of the industry.

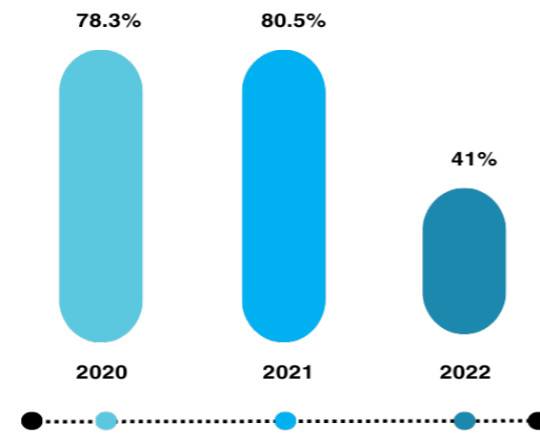
We prioritize performance management through regular feedback and coaching sessions, goal setting and aligning the employee goals with the business objectives. We also provide employees with transparent career development paths so they can advance their careers and achieve their professional goals within the company. Additionally, we place a strong focus on succession planning, ensuring that our employees are prepared to take on additional responsibilities and leadership roles when the need arises.



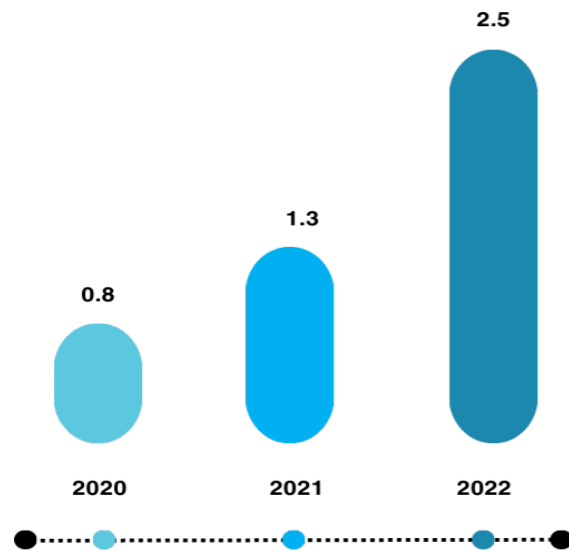
Number of Local Employees (KSA)



Percentage of Local Suppliers (%)



Community Investment (USD Million)

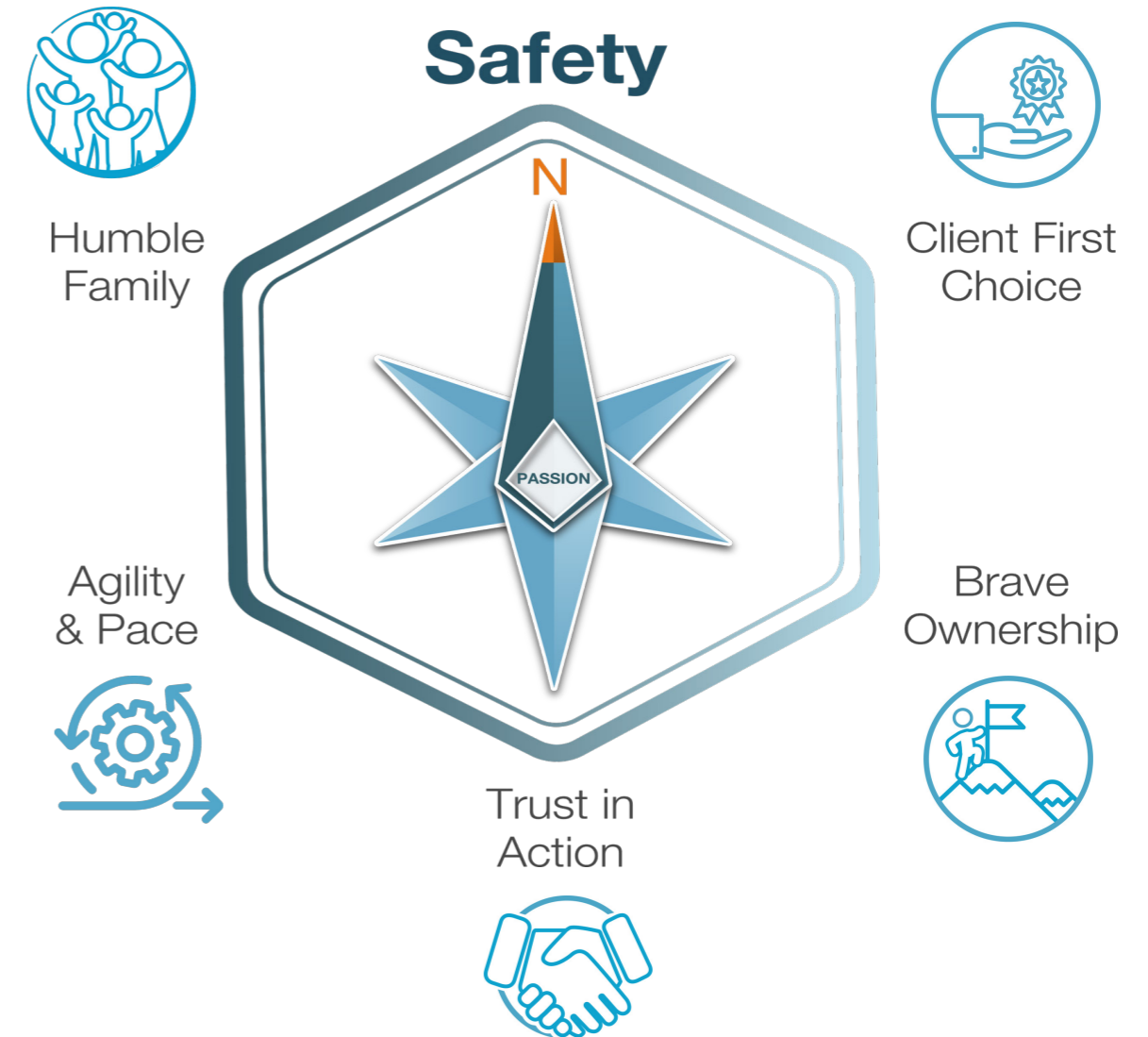


In the face of the COVID-19 pandemic, we recognized the need to step up and support our communities in their time of need. As part of our social initiatives, we have conducted numerous COVID-19 related activities such as distributing essential items, medical supplies, and donations to hospitals. We have spent over 4.5 million USD over the past 3 years on community investments. We also offered our support to the communities surrounding our operations by increasing access to health care facilities, public health education, and potentially life-saving medical equipment.

3.4 Health and Safety

We prioritize the well-being of our employees and contractors. Our commitment to health and safety is unwavering and embedded in every aspect of our operations. We firmly believe that a health and safety of our people is essential for the success and growth of our business.

We maintain a safe workplace through five principals embedded in our system.



SAFETY IS OUR NORTH

We empower our workforce by securing them against any safety & legal misconduct through "SPEAK UP" channel.

SPEAK UP

Your Safety Channel for Whistleblowing,
Safety & Legal misconduct

Here's how to report safety



Document the Facts if Possible



Indicate if it's a Safety or a Legal Issue that you
Want to Report on



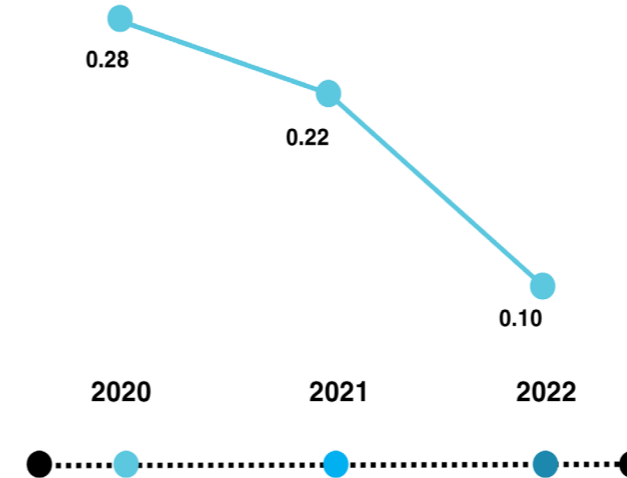
Make the Call or Send the E-Mail



Decide if you Want to Remain Completely Anonymous

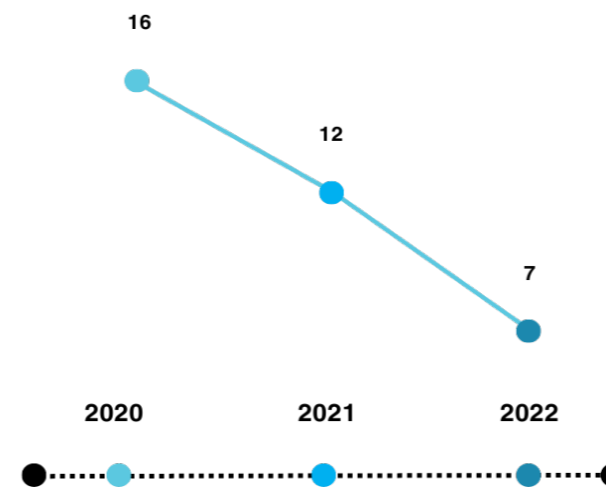
Through our unwavering commitment to safety, the diligent implementation of advanced safety technology, and the strict adherence to comprehensive safety rules and protocols, we have achieved remarkable results in reducing the recordable incident rate, frequency of injuries, recordable cases, medical treatment cases, and accidents in

Recordable Incident Rate (RIR)



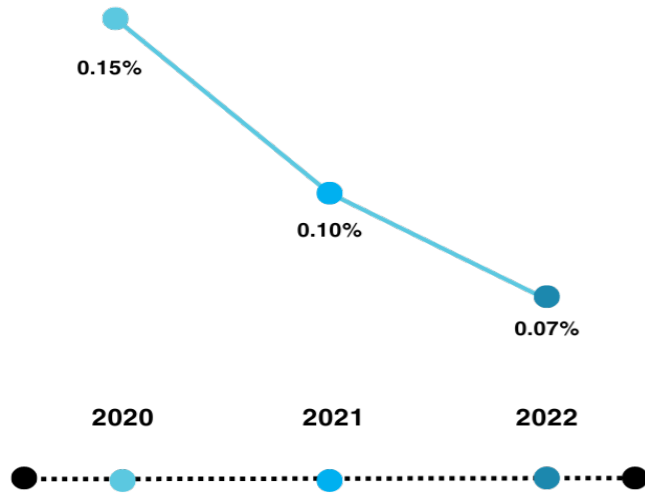
The graph depicts a decline in the rate of recordable incidents, signifying the effectiveness of our proactive measures.

Number of Recordables Case



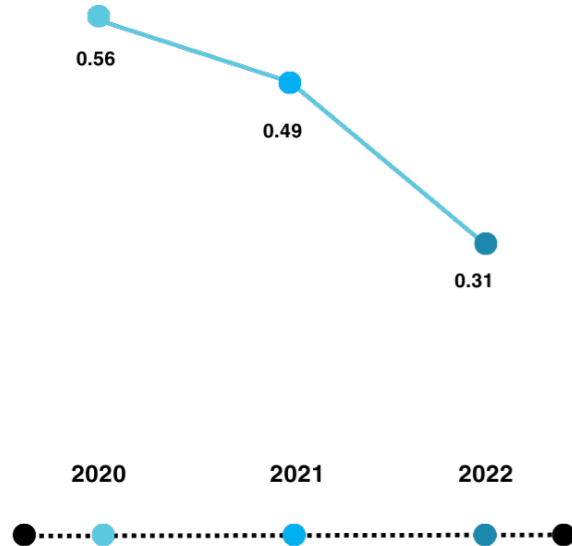
ADES achieved a significant reduction i.e. 56.25% in Recordable case in 2022 from 2020. This demonstrate a significant downward trend, highlighting our dedication to preventing work-related incidents and promoting employee well-being

Number of Medical Treatment Cases



The graph outlining medical treatment cases shows a notable decrease, affirming the positive impact of our preventive measures and the emphasis we place on maintaining a healthy work environment.

Road Traffic Accident Rate



The graph illustrating accidents in road traffic reveals a considerable reduction, underscoring our commitment to ensuring the safety of both our employees and the general public, with initiatives such as driver training programs and enhanced traffic management strategies

These positive trends across all graphs unequivocally demonstrate our organization's achievement of a healthy and safe environment through the successful implementation of rigorous safety practices

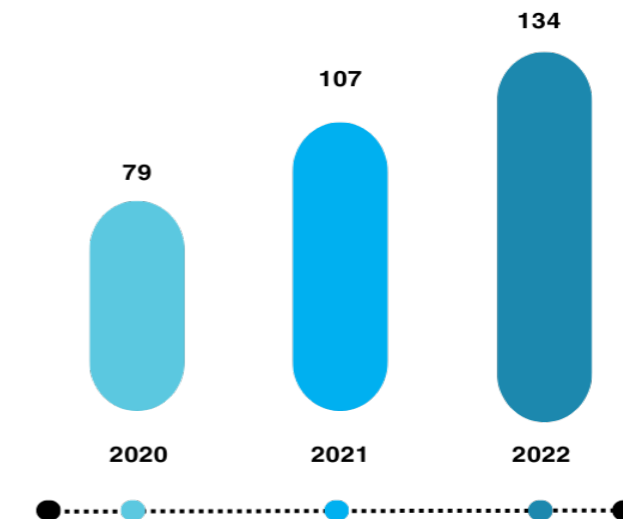
3.5 Workplace Diversity and Inclusion

Workplace diversity and inclusion are both essential aspects of our corporate culture. We are committed to creating a working environment that reflects the richness and diversity of the communities where we operate. Our team strongly believes that having a diverse workforce fosters creativity, innovation, and enhances the understanding of our customers and external stakeholders.

Our approach towards diversity and inclusion begins with recruiting a diverse pool of applicants that come from diverse backgrounds, cultures, age and experiences. We are proud to state that over 40 nationalities work for ADES across 7 Countries. This practice helps establish understanding and respect for various perspectives and ideas that can collectively lead to innovative solutions for operational challenges. It also provides an opportunity for employees to learn, within an open and inclusive work environment, that encourages the sharing of perspectives and ideas which align with the broader ADES Vision and Values.

We actively seek to cultivate a work culture that values and promotes diversity and inclusion policies. We have a fair, transparent, and objective recruitment process that ensures equal opportunities for all. We provide benefits and compensation packages for our employees that promote fairness, equality and diversity in the workplace.

Number of Employees Who Took Paternity Leave





We are committed to providing a safe work environment free from all forms of harassment, discrimination, and bullying. The commitment to creating awareness of workplace policies and practices about diversity and inclusion is continuous, underpinning our values and priorities as an organization. We ensure that all our employees are properly educated about the company's policies and regulations and ask that they devise their strategies to advance a culture of respect and professionalism.

In ADES, we value our employees' satisfaction and strongly believe in its importance in building a sustainable business. To ensure customer satisfaction, we have developed a ICSS (Internal Customer Satisfaction Services) program in the form of surveys to identify and improve internal services (departmental), which affects internal customer satisfaction level. Surveys are anonymous and are not dedicated to specific individual scenarios. Actions are taken if the survey results are less than 80% satisfaction. And in those scenarios, concerned corporate function and country manager have the overall responsibility to improve areas indicated in survey results (< 80% satisfaction) by agreeing, communicating, and implementing an effective improvement plan. We conduct multiple surveys, and the trends of these surveys are communicated quarterly to show progressive satisfaction development of each department.

In addition to compliance, we actively encourage and support employee-led affinity groups, mentorship programs, training programs, and team-building events that celebrate diversity, promote understanding and mutual respect.

We are also sensitive to the importance of understanding the cultures of the communities in which we operate and strive to include them in our workforce. We prioritize the sourcing of local talent wherever possible to build a diverse workplace that reflects the varied and vibrant cultures in which we work.

3.6 Equal Opportunity

Our commitment to equal opportunities is reflected in our workplace culture, policies and the practices we follow.

We recognize that every employee brings unique skills and experiences to the table, and we want to ensure they have an equal opportunity to use those skills and experience. We have implemented fair, objective and transparent recruitment policies to ensure that there is no bias in the hiring process. In accordance with our corporate culture of inclusiveness, we value all applicants based on their qualifications, skills, and experience, rather than their background characteristics such as race, ethnicity, gender, or socio-economic status.

Once hired, we strive to promote equal opportunities for all employees, ensuring that each employee has the chance to excel and grow within the organization. We offer regular performance evaluations and opportunities for all our employees to receive feedback and support on their career goals and progress.

We acknowledge that we are in a male-dominated industry and have proactively created policies to bridge this gender gap by increasing the number of women in our workforce. To empower and attract women to enter traditionally male-dominated roles within our workforce, we now offer leadership and development programs, diversity, and inclusion initiatives, and more flexible working options to promote a better work-life balance. As shown below an increase in women in our organization. We are constantly working to incorporate a diverse culture in our organization.

The Group is actively engaged in promoting gender diversity and female employment in the workforce of the Kingdom of Saudi Arabia and the number of the Group's female employees has increased by 25% between 2021 and 2022. While a significant portion of the Group's workforce are employed to work in the field (i.e., on rigs) or in yards or bases, among office-based positions, as at 31 December 2022, 1.6% of the office-based workforce are female employees.

We promote equal opportunities to develop the retention and career progression of all our employees. We provide ongoing learning and development programs that support individual growth while enhancing their career development. Our objective is to create a conducive environment that is supportive, safe and reliable where each employee, irrespective of their background, can thrive.

We work to create an environment where every individual feels included, valued, and respected. Our policies and practices not only adhere to our values of fairness, but they are also geared towards a work environment that fosters collaboration, teamwork, and creativity.



**The ADES
WAY Workshops**

3.7 Attraction and Retention

We recognize that our employees are one of our most valuable resources, and to succeed, we must attract, train, and retain top talent.

We have implemented a comprehensive recruitment process that is focused on attracting the best and brightest talent in the industry. We use various recruitment channels to ensure that we reach a diverse pool of candidates, including job boards, social media, and headhunting. By leveraging diverse channels, we can find talent from a range of backgrounds and experiences.

It is essential to us that employees enjoy their work, feel valued, and have opportunities to grow and develop their skills. To ensure employee satisfaction, we offer competitive salaries, benefits, and perks that focus on employee well-being. We also encourage open communication and feedback, giving employees an opportunity to express their suggestions and grievances while facilitating positive interventions that further increase employee engagement levels.

We strive to create an environment where rapid career progression and development is possible. We offer training, mentoring, and coaching opportunities at all career levels within the organization. We also have clear career progression paths with financing support for employees like language courses, trade qualifications and other courses to support our employees' career advancement. This guarantees their skills remain on par with the ever-changing needs of the industry. Furthermore, our employees often work in diverse locations and benefit from exposure to diverse cultures and aspects of the drilling industry. All these factors culminate in motivating employees to remain with the company for the long term.

In addition, we promote a culture of inclusivity, diversity and equal opportunities that enable all employees within our organization to thrive. We believe in investing in our employees' well-being and supporting initiatives designed to increase employee loyalty. Programs such as family-friendly workplaces initiatives, wellness programs, Employee Assistance Programs, generous vacation packages, and providing flexible work arrangements for our employees minimize the stresses associated with juggling work and home responsibilities. Accordingly, members of our team will feel supported and engaged in their work while enjoying an optimal work-life balance.



SUSTAINABLE ECONOMIC GROWTH



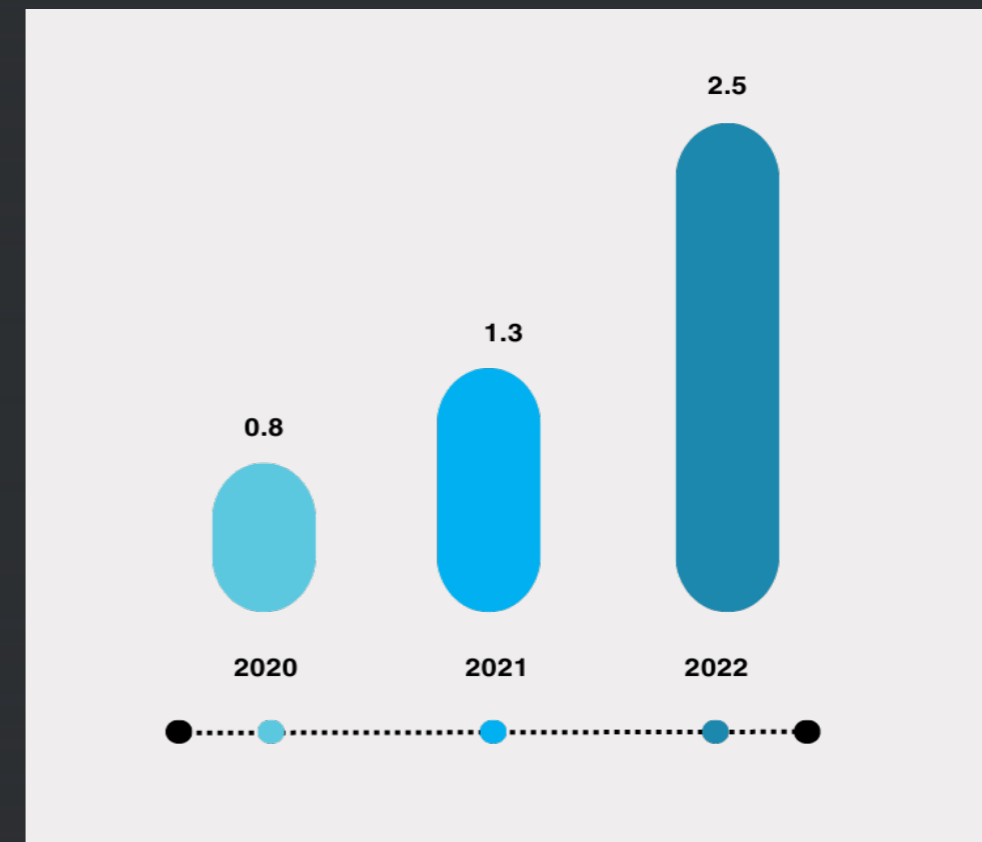
4. Sustainable Economic Growth

ADES believes in long-term sustainable economic growth through integration of environmental resource efficiency, employees training, community investment and sourcing the products from local suppliers.

Despite COVID-19 impacts during 2020-2022, ADES business activities continue to grow resulting into high business revenue growth.

Furthermore, we demonstrated our commitment to social responsibility by significantly tripling our community investments, bolstering our positive impact on the communities we serve.

Community Investment (USD Million)



ADES increased over 300% in community investment during 2020-2022.

ETHICAL GOVERNANCE

5. Ethical Governance

At ADES, we firmly believe that effective corporate governance practices are essential for maintaining the integrity of the company and building trust with our stakeholders. We understand the importance of good governance in achieving long-term success and sustainability in our activities.

To ensure effective governance, our Board of Directors provides leadership in the key decision-making process, aiming to align corporate goals with the principles of transparency, accountability, and responsible business conduct. Our Board Members come from diverse backgrounds, of which the majority are independent, to ensure a more significant level of objectivity and oversight in our decision-making process.

Our Corporate Culture and Business Ethics Policy (“Code of Conduct”) further serves as a guide for our employees’ behavior, ensuring that they conduct themselves in accordance with our company values and high ethical standards. We encourage all our employees to report any suspected breaches of this code of ethics, its policies, and/or applicable legislation, through our independently managed whistleblowing system to drive transparency while safeguarding our workplace and stakeholders.

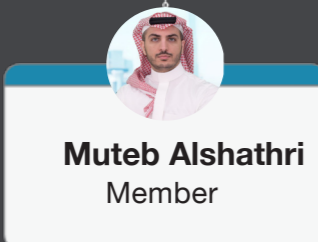
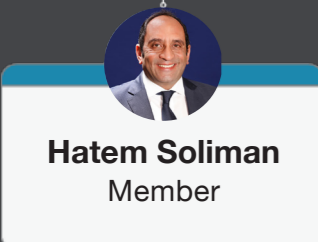
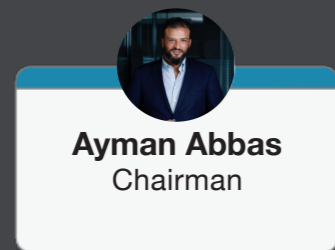
We also acknowledge the importance of social and environmental responsibility as part of our ethical governance practices. Through our Sustainability, Health, Safety and Environment (SHSE) Department, we have developed a range of policies and procedures to ensure our operations align with recognized standards. We prioritize stakeholder transparency by providing regular updates on SHSE performance and reporting indicators through our annual sustainability reports.

Our process-driven approach to ethical governance encompasses rigorous regulatory oversight, risk analysis and assessment measures, and the periodic monitoring of performance metrics. Ethics is critical to our organization and underpins our commitment to responsible and sustainable business practices.

5.1 Board of Directors

The Company's Board of Directors is composed of nine (9) members (six of whom have been appointed and the (3) vacant seats are to be filled with independent directors) who have experience, competency and a good reputation. The Board of Directors holds regular meetings as determined by the Board, provided that no less than four (4) meetings are held per year.

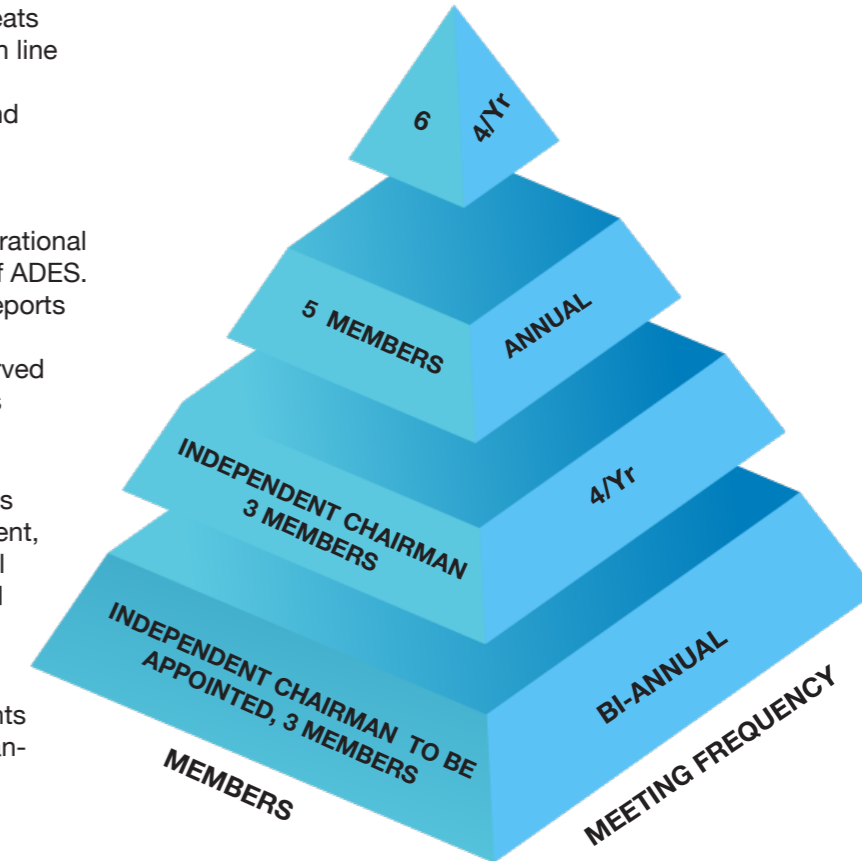
The Group has a highly qualified Board of Directors who are nominated and elected according to a governance framework followed by the Group, and based on several criteria including competence, leadership ability and appropriate experience that enables Directors to contribute to the Group's leadership to implement its strategy and achieve its vision.



Oversight Committee

RESPONSIBILITY

- | | |
|--------------------------------|--|
| BOARD OF DIRECTORS | <ul style="list-style-type: none"> 6 Directors appointed and 3 vacant seats for independent directors to be filled in line with CMA requirements Strategic oversight of management and business affairs. |
| BOARD EXECUTIVE | <ul style="list-style-type: none"> Review commercial, financial and operational performance, function and planning of ADES. Receive and review information and reports relating to the group Review the executive committee reserved matters and related party transactions |
| AUDIT COMMITTEE | <ul style="list-style-type: none"> Responsible for overseeing the group's corporate governance, risk management, compliance financial and non-financial reporting, internal control, internal and statutory audits |
| REM & NOM COMMITTEE | <ul style="list-style-type: none"> Oversight of remuneration arrangements Senior appointments & succession planning Board evaluation |



5.2 Governance Structure

ADES approved an internal Corporate Governance Manual that includes rules and procedures related to corporate governance in accordance with the Corporate Governance Regulations issued by the Capital Markets Authority. The Company's Board has a number of committees that contribute to the effective performance of the Company's functions in addition to meeting the relevant regulatory requirements. These committees have been formed by the Board of Directors and consist of the Executive Committee, the Nomination and Remuneration Committee and the Audit Committee.

Audit Committee monitors the Company's business and verifies the integrity and soundness of its reports, financial statements and internal control systems. The responsibilities of the Nomination and Remuneration Committee include setting remuneration arrangement policies and membership criteria for members of the Board. The Executive Committee is competent to perform several duties related to reviewing matters relating to the commercial, financial and operational performance, function and planning of the Group. Each committee meets as per the regular cadence, varying from once every year to once every quarter, and ensure that organization is headed in the desired direction.

5.3 Governance Framework

Our governance framework is a comprehensive, transparent, and accountable approach that encompasses all aspects of our company's leadership structures, policies, procedures, and practices. This framework is based on the principles of good corporate governance, transparency, sustainability, and accountability.

Our board of directors takes an active role in shaping the company's governance framework and works closely with management to ensure compliance with local and international rules and regulations. This ensures that we maintain high standards of conduct that align with our commitment to business ethics and sustainability while reflecting our ESG policies.

The Board of Directors is responsible for setting company-wide objectives that enable us to measure our performance against predefined standards. The Board's focus is on long-term sustainability, shareholder value creation, risk management, and continued stewardship of our company's assets.

Moreover, ADES is adopting a rigorous governance framework in place to identify, assess, and manage risk across the organization. This framework includes controls that monitor critical risk indicators, and a range of policies and procedures aimed at minimizing potential adverse impacts on the environment and society. We conduct periodic compliance and environmental risk assessments to ensure that the procedures and policies are effective and in line with our sustainability and ESG objectives.

To further reflect our commitment to governance, we have implemented a robust anti-corruption policy that is embedded in our organization. We expect all employees and business partners to adhere to this policy to ensure that we conduct our operations with the utmost integrity.

Our governance framework is not static and is periodically reviewed and updated, reflecting our changing business environment and regulatory requirements. This active approach ensures that our governance practices, and ESG policies, at all levels, remain relevant, and forward-looking and provide value-creation opportunities to our stakeholders.

5.4 Ethics and Integrity

Our code of conduct and ethics outlines our expectations for employee behavior and provides guidance on how to handle ethical matters and conflicts of interest. At ADES, we prioritize this area as ethical business practices are fundamental to our organization's long-term success and sustainability. We continue to work on developing and improving our policies that are aligned with our mission and comply with the highest international standards and best practices.

We ensure that our employees understand their legal and ethical obligations and encourage them to report any concerns or breaches of ethics. We have implemented a reporting mechanism to encourage employees to report concerns and instances of non-compliance without fear of retaliation. We investigate all incidents reported and take necessary actions to ensure transparency and address any non-compliances.

Our ethical guidelines also extend to our business partners and suppliers. We require them to adhere to our Code of Conduct and ethics to ensure consistent ethical behavior throughout our value chain. We also conduct due diligence of our suppliers and business partners to ensure they meet our ethical and sustainability standards, and we terminate any relationships where there is evidence of non-compliance.

5.5 Business Integrity

At ADES, we believe that conducting business with integrity is critical to our company success and long-term sustainability. We are dedicated to building a reputation as a trusted and reliable partner for our stakeholders, including our clients, investors, and employees.

One of the ways we demonstrate business integrity is by adhering to high ethical standards in our operations. Our Code of Conduct outlines our expectations for employees in terms of ethical behavior, including compliance with laws and regulations, avoiding conflicts of interest, and treating others with respect. We provide regular training for our employees to ensure they understand our expectations and have the knowledge required to make ethical decisions.

We also prioritize transparency in our operations. We believe that transparency is essential to building trust with our stakeholders and ensuring good governance practices, particularly when it comes to financial reporting.

Additionally, we regularly conduct risk assessments to identify and mitigate any potential threats to our business, including those related to business integrity. This process enables us to anticipate, evaluate and manage our risks effectively. By being proactive, we are better equipped to identify and address potential risks before they materialize, allowing us to maintain our high standards of integrity.

Furthermore, ADES has guidelines in place to prevent corruption and bribery. We adhere strictly to relevant laws and regulations, and the Anti-bribery and Corruption policy outlines our requirements for maintaining transparency in the conduct of our business. Business partners and suppliers are required to comply with our anti-corruption policy, and we conduct due diligence on them to ensure they meet our ethical and sustainability standards.

5.6 Code of Conduct

Our Code of Conduct serves as our foundation for maintaining our high standards of ethical behavior and integrity. It is a detailed document that sets out our ethical standards principles for conduct in the workplace and our interactions with external parties. This document applies to all ADES employees, as well as our business partners and suppliers. Moreover, the Code of Conduct aims to regulate the reporting of violations of the Capital Market Law and its implementing regulations.

The Code of Conduct outlines our expectations of employees and covers a wide range of topics, including but not limited to conflicts of interest, protection of company assets and confidential information, compliance with laws, policies, and regulations, and proper use of company resources.

The Code of Conduct further prohibits any discriminatory, offensive, or harassment or any other threats of violence towards employees or third parties.

We expect all our employees to act with integrity and honesty in all situations, and we provide regular training to ensure they are aware of their ethical and legal obligations.

We are committed to an open and transparent culture that encourages employees to report any concerns or breaches of ethics without fear of retribution.

Furthermore, we require our suppliers and business partners to adhere to our Code and maintain the same high standards of conduct. We conduct thorough due diligence checks to ensure they are committed to sustainable and ethical practices. We audit our suppliers regularly to ensure that they meet our ethical and sustainability standards.

In addition, the Code of Conduct incorporates a whistleblowing policy that encourages employees to report any concerns they have. The policy is designed to provide a confidential reporting mechanism for employees to report concerns related to business conduct anonymously.

5.7 Confidentiality of Information

At ADES, we take the confidentiality of our information very seriously. We know that protecting sensitive data is essential to maintain trust with our stakeholders, particularly our clients, investors, and employees. We recognize that any breach of confidentiality could cause significant harm to our reputation and bottom line.

To ensure that our sensitive information is protected, we have strict policies and procedures in place. Our employees undergo regular training on the importance of confidentiality, and all the employment agreements include the confidentiality terms, which are signed by every employee. The agreement outlines our expectations for how our employees handle sensitive information and the repercussions for any breaches.

We also limit access to confidential information on a need-to-know basis, ensuring that sensitive data is only accessible to employees who require it in their roles. Access control measures include passwords, encryption, and other technical solutions that prevent unauthorized access to confidential information.

In addition, we have incorporated physical security measures to protect our data, such as access control systems, surveillance cameras, and secure facilities.

Furthermore, we have established protocols for ensuring the confidentiality of sensitive information in our interactions with third-party vendors and suppliers. We conduct thorough due diligence on our partners to ensure that they meet our standards for information security. Additionally, we require our partners to sign confidentiality agreements before we share any sensitive information with them.

Finally, in the event of a breach of confidentiality, we have procedures in place to identify and mitigate the damage quickly, as well as reporting the incident to regulatory authorities where required.

5.8 Data Protection

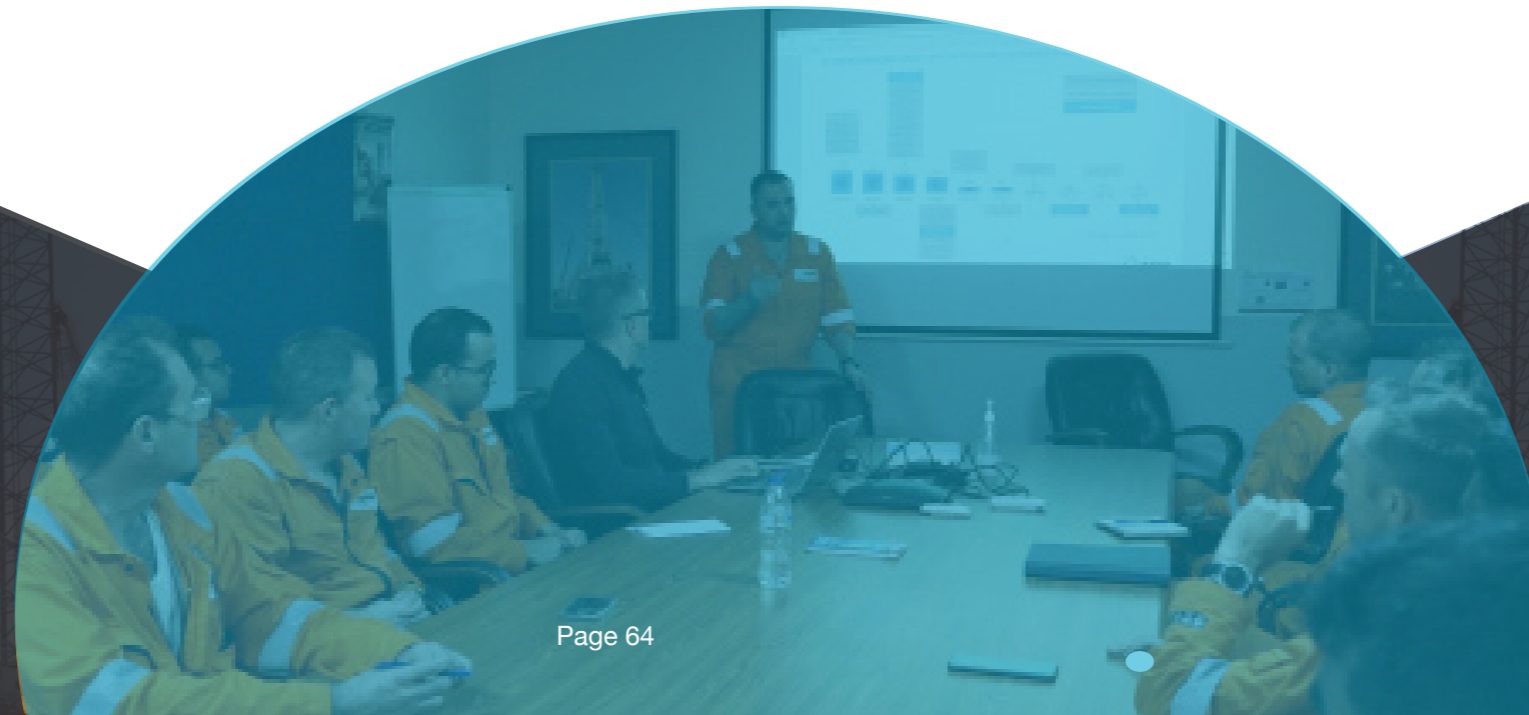
ADES acknowledges the legal and ethical responsibilities associated with the processing of personal data, recognizing the significance of managing and safeguarding this information. Our unwavering commitment lies in strict compliance with pertinent data protection legislation, including the European Union's General Data Protection Regulation (GDPR), as we embrace the principles of environmental, social, and governance (ESG) reporting.

To ensure the utmost security of electronically stored or transmitted personal data, we have implemented robust access controls and employed advanced data encryption measures. Additionally, we have established stringent physical security measures to safeguard information stored in physical formats, such as paper documents.

At regular intervals, we conduct comprehensive data protection impact assessments, allowing us to proactively identify and mitigate potential risks to individual privacy and rights. Demonstrating our unwavering dedication to data security, we engage the expertise of reputable third-party specialists to conduct vulnerability assessments of our technical security measures. Their insights and recommendations provide invaluable guidance for enhancing our data protection practices.

ADES firmly upholds the rights of individuals to exercise their access, rectification, portability, erasure, or restriction rights with regards to their personal data held by our organization. In full adherence to our commitment to transparency, we diligently provide clear, comprehensible privacy notices and consent requests whenever we collect personal data from individuals.

Furthermore, we enforce strict adherence to applicable data protection standards for any third-party vendors or suppliers who are granted access to personal data while providing services to ADES. By imposing these requirements, we reinforce our unwavering commitment to upholding the privacy and security of personal information across our entire supply chain.



5.9 Enterprise Risk Management

Our ERM process involves identifying, evaluating, mitigating, monitoring, and reporting risks at all levels of the organization. This is overseen by the Board, which is responsible for setting the tone at the top, defining our risk appetite and tolerance levels, and ensuring our risk management policies adhere to best practices and principles.






We are adopting risk management policies and procedures, which are reviewed and updated regularly to ensure they remain relevant and appropriate for our operations. Our policies and procedures follow recognized standards and frameworks, such as ISO 31000, COSO, and the Risk Management Association (RMA) guidelines.

We have also implemented a Risk Management Information System (RMIS) that enables us to manage and monitor risks in real-time, providing us with timely, accurate information to make better-informed decisions. The RMIS provides a centralized platform for enterprise-wide risk management, ensuring that all risk information is accessible to senior management, the Board, and other key stakeholders.

Our enterprise risk management team comprises the head of departments from a broad range of disciplines, such as finance, operations, legal, and HSE, bringing a multi-disciplinary approach. The stakeholders and committees involved in the risk management team with well defined responsibilities and tasks ensure that the organization monitors risk at various levels and prepares a comprehensive risk monitoring, mitigation and planning strategies. Risk assessment is performed at regular intervals with visual maps and circulated, to ensure that the priority elements are addressed.

Our approach to enterprise risk management supports our strategic objectives by enabling us to identify and manage threats effectively while capitalizing on opportunities for growth and innovation.

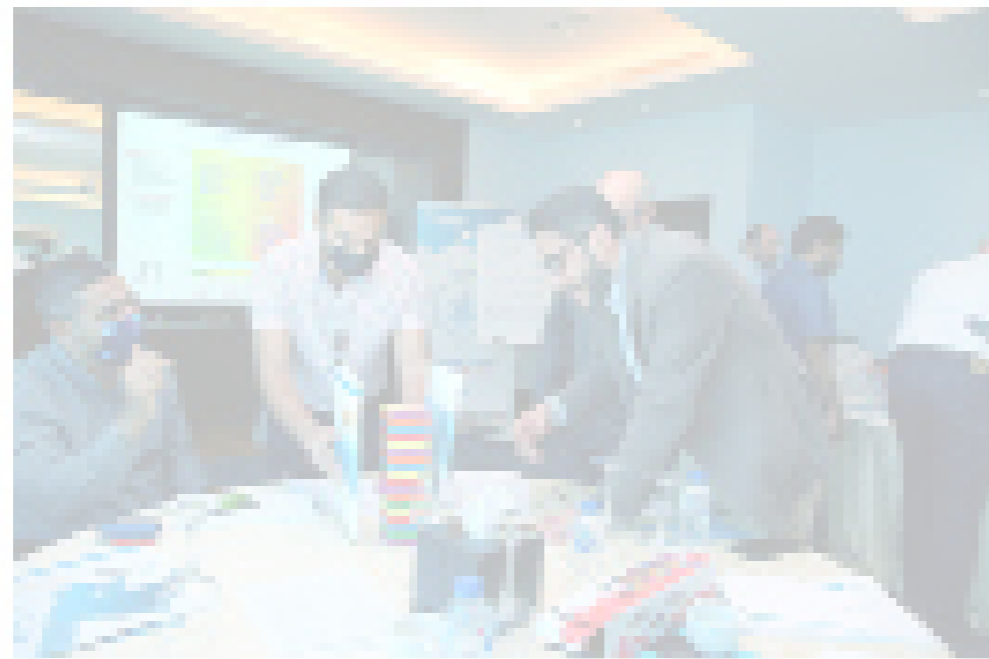
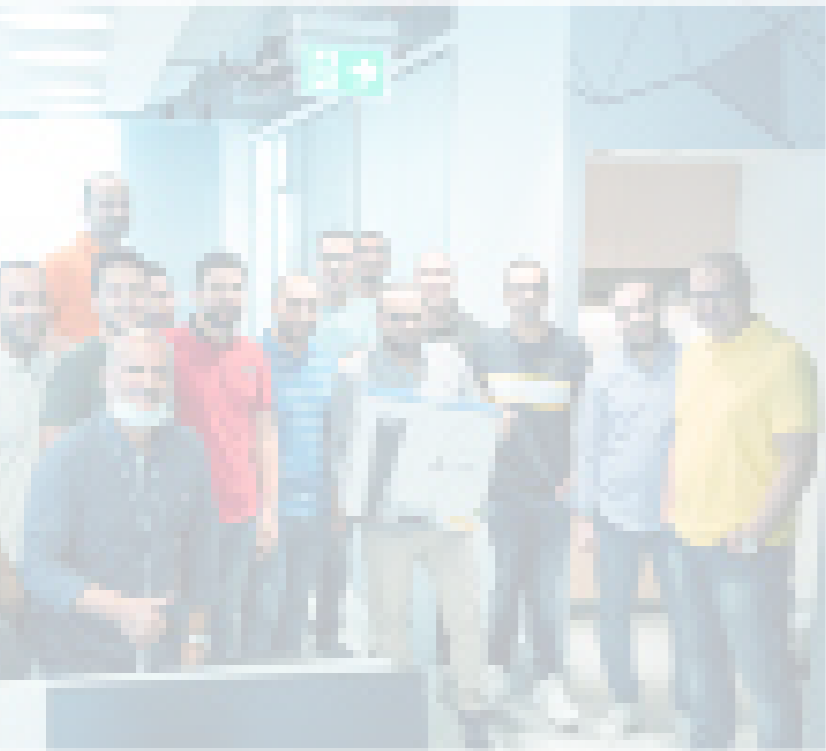
Appendix - UN SDG'S, GRI & TADAWUL Mapping

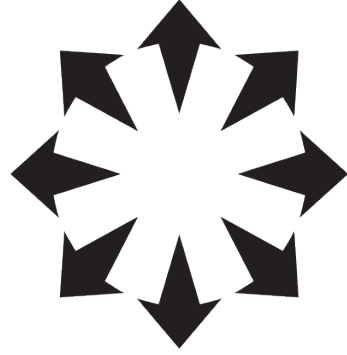
Category	Corresponding UN SDG	Corresponding GRI Standards	Tadawul Metric	Page and/or Notes
Environment		GRI 305: Emissions 2016	E1. GHG Emissions	29
	-	GRI 305: Emissions 2016	E2. Emissions Intensity	29-30
		GRI 302: Energy 2016	E3. Energy Usage	31-32
	-	GRI 302: Energy 2016	E4. Energy Intensity	31-32
		GRI 302: Energy 2016	E5. Energy Mix	31-32
		GRI 303: Water and Effluents 2018	E6. Water Usage	32
	-	GRI 103: Management Approach 2016	E7. Environmental Operations	33,34,35
	-	GRI 102: General Disclosures 2016	E8. Management Environmental Oversight	22
	-	GRI 102: General Disclosures 2016	E9. Board Environmental Oversight	59-60
		-	E10. Climate Risk Mitigation	23

Category	Corresponding UN SDG	Corresponding GRI Standards	Tadawul Metric	Page and/or Notes
Social		GRI 102: General Disclosures 2016	S1. CEO Pay Ratio	N.A
		GRI 405: Diversity and Equal Opportunity 2016	S2. Gender Pay Ratio	N.A
		GRI 401: Employment 2016	S3. Employee Turn-over	49,51
		GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunity 2016	S4. Gender Diversity	51
		GRI 103: Management Approach 2016	S6. Non-Discrimination	65
		GRI 403: Occupational Health and Safety 2018	S7. Injury Rate	47-48
	-	GRI 103: Management Approach 2016	S8. Global Health and Safety	47-48
		GRI 103: Management Approach 2016*	S9. Child and Forced Labor	63
		GRI 103: Management Approach 2016	S10. Human Rights	62-63
		-	S11. Nationalization	NA
	-	GRI 413: Local Communities 2016	S12. Community Investment	44,55

Category	Corresponding UN SDG	Corresponding GRI Standards	Tadawul Metric	Page and/or Notes
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Governance





ADES

ADES Holding

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