

# **SUSTAINABILITY REPORT 2022**

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# 1. About the Report

With pleasure, we present to you our Sustainability Report for 2022. We see reporting on our non-financial metrics as a way to engage with all our stakeholders and give them information about the strategy, governance, performance, and prospects of our company.

## 1.1 Our Methodology

ADES Group recognizes the importance of reporting on our Environmental, Social, Governance, and Economic performance to our stakeholders. We are committed to being transparent and open about our sustainability 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 sustainability performance to our stakeholders as this demonstrates our commitment to ESG and sustainability 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 sustainability 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 and Sustainability 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 dedicated to always enhancing our reporting methodology and making sure that our reports are lucid, succinct, and straightforward to interpret. Our report is created using a variety of data sources, including internal data, data from outside sources, and benchmarks from the industry. We are able to paint a thorough and accurate picture of our sustainability performance using this method, and we can gauge our performance to standards set by the industry.

## 1.2. Reporting Scope & Period

This report is prepared to demonstrate the People, Planet, and Profit (3Ps) Performance of ADES Group for the year 2021-2022, in line with Global Reporting Initiative (GRI) standards. It covers the sustainability performance for the period of January 1, 2021, to December 31, 2022. Furthermore, the report includes the operations of the company in Saudi Arabia, Qatar, Kuwait, Egypt, Tunisia, and Algeria. The UN 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 sustainability performance, addressing key aspects of environmental stewardship, social responsibility, governance practices and sustainable economic growth. By adhering to the GRI standards, ADES Group demonstrates its commitment to transparency, accountability, and sustainable business practices.

The environmental stewardship 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 protecting & empowering people 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 ethical governance and management 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.

The sustainable economic growth section assesses the company's expenditure on sustainable activities. ADES Group is committed to increasing its investment in sustainable business operations.

The operational boundaries of ADES, which are restricted to the above-mentioned countries, serve as the reporting boundary for all of the significant subjects included in this report.

## 2. Chairman's Message



I am pleased to present the ADES Group's Sustainability Report for 2021-2022. 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 action 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.

The inherent nature of our operations might leave an ecological footprint, so our focus remains steadfast on sustainable operations. We are proud to demonstrate our commitment to staying firm in sustainable processes, and to demonstrate our commitment to minimize 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 meeting the benchmarks.

Our workforce which increased from 3,830 in 2021 to 5,918 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 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



### 3. 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 sustainability 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. 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. All our social efforts are detailed in this report.

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 sustainability 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 sustainability 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 sustainability 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**

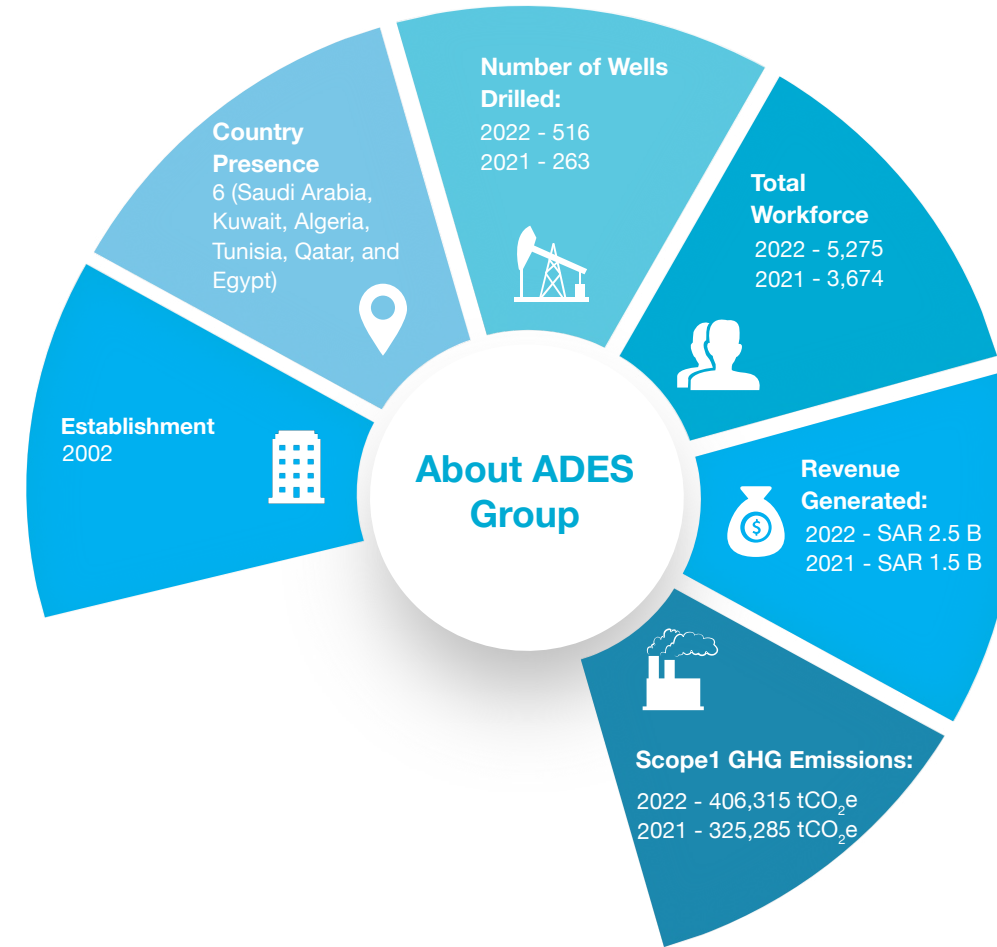
## 4. About ADES Group



ADES Group's (ADES) was established 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 5,918 employees (as of December 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 O&G 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 sustainability practices.



### ADES Services

-  Onshore Drilling & Workover
-  Offshore Drilling & Workover
-  Mobile Offshore Production Unit (MOPU) Services
-  Jack-up Barge and Project Services
-  Other Services

At ADES, we lead in drilling and production, leveraging assets, inspiring our team, and delivering value. With growth in sight, we embrace innovation for stakeholder prosperity.





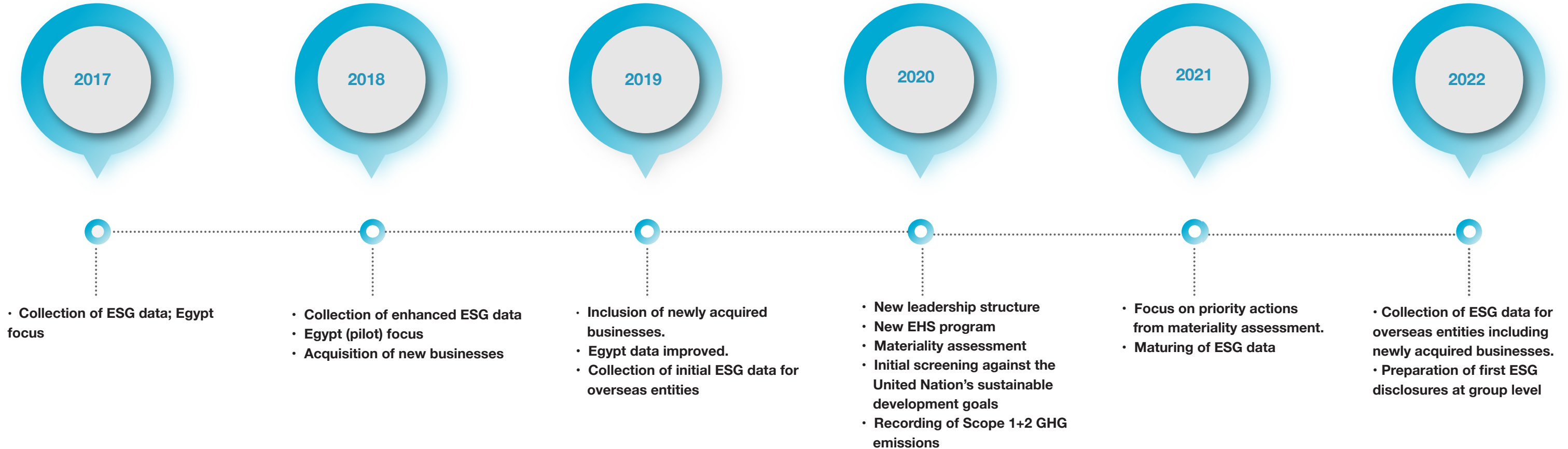
GRI 2021: 2-6

## Number of Rigs Countrywide



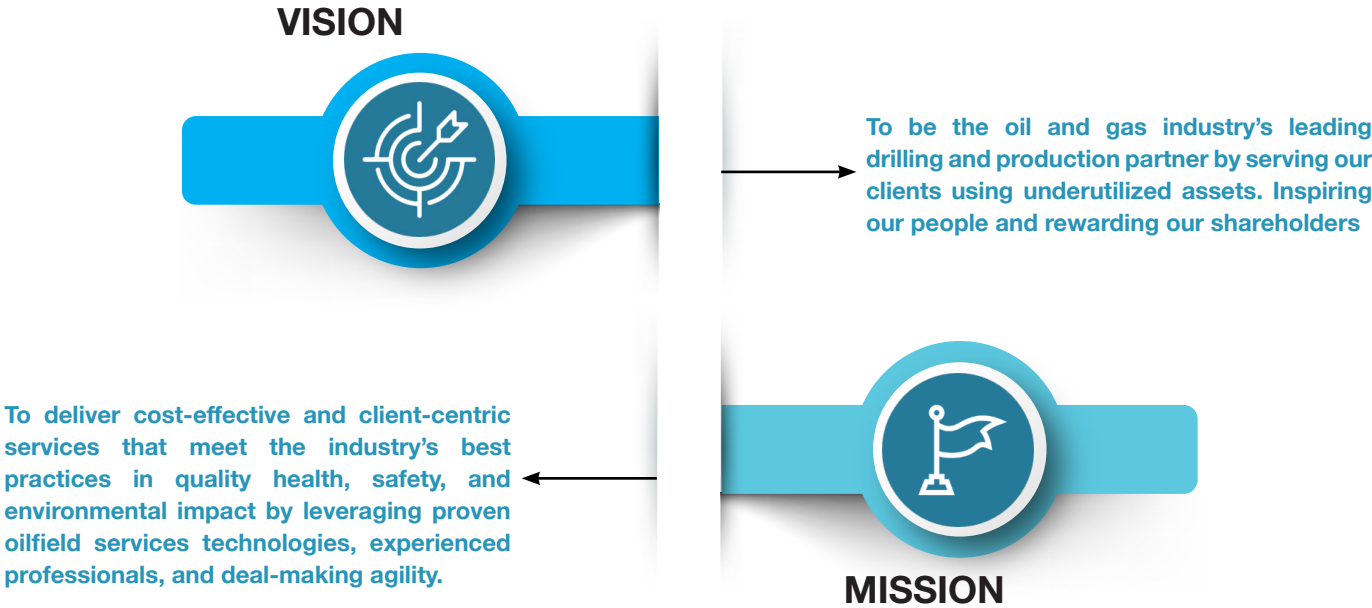


## 5. ADES Sustainability Performance so far



# 6. Our Approach to Sustainability

## 6.1 Our Strategic Pillars (Mission, Vision, Values)



## CORE VALUES

<p>Personal and operational safety is our greatest responsibility, followed by the protection of our environment, company property, and customer property.</p> <p><b>Safety</b></p>	<p>Ensuring that our individual and corporate actions are bounded by honesty and ethical conduct.</p> <p><b>Integrity</b></p>	<p>All of our decisions are taken with the customer in focus. We aim to add value for our customers.</p> <p><b>Customer Focus</b></p>
<p>Providing a level of service which exceeds the expectations of our customers with environmental conscious.</p> <p><b>Performance</b></p>	<p>Being alert to changes and moving quickly and decisively to meet the challenges that emerge from such changes.</p> <p><b>Agility</b></p>	<p>Promoting an innovative culture and attitude by applying creative thinking to everything we do.</p> <p><b>Innovation</b></p>



## 6.2. Our Business

ADES has a unique value proposition of providing complete spectrum of services for both onshore and offshore drilling services. The diversified services lead to lower cost of operations and offer the best economic value to client and stakeholders. With its ability to provide equipment rental to its offshore clients and workers, ADES is able to continually roll out offerings to meet dynamic client's needs. ADES business largely relied heavily in Saudi Arabia with presence in Qatar, Kuwait, Egypt, India, Algeria, Tunisia.







## 6.2.1 Operations in KSA

ADES first entered the Saudi Arabian market in 2016 when it purchased three Hercules Offshore drilling rigs. With the acquisition of Nabors in July 2018, ADES increased its offshore fleet to six rigs. This was swiftly followed by the Group's entry into the Kingdom's deep drilling gas industry with the purchase of 11 onshore rigs from Weatherford in December 2018. Due to the requirement for high specification and frequently higher capacity rigs, the country's deep drilling gas industry is characterized by considerably reduced competitiveness and fewer companies. ADES expanded its onshore capabilities by moving two additional onshore rigs it had acquired from Weatherford to Iraq and by investing in two brand-new assets in 2019 called ADES 13 and ADES 14.

11 onshore rigs and 16 offshore units make up the present Saudi Arabian fleet owned by ADES, which is likely the most diverse operating fleet in the nation. The company is currently engaged in both the ultra-shallow and shallow offshore drilling subsegments as well as the onshore drilling segment.

Saudi Arabia is forecast to lead OPEC production growth through 2025, with an increased supply of about c.3.8 mmbbl/d estimated between 2020 and 2025. Today, ADES is active in the ultra-shallow and shallow offshore markets as well as the onshore part of the market, controlling what is likely the most diverse operational fleet in the nation.



## 6.2.2 Operations in Egypt

Egypt is the MENA nation that will make the most investments in the petrochemical industry over the next few years. With nine offshore rigs, three onshore rigs, one MOPU, and one offshore jack-up barge in its fleet in Egypt, ADES is the market leader in drilling and related services.

The Group has been able to expand its clientele in the nation by drawing on a long history of operational and safety excellence. Today, it can boast collaborations with top IOCs and the Egyptian General Petroleum corporation ("EGPC"), the country's state oil corporation. Since 2016, the Group has offered MOPU services there in an effort to further diversify and enlarge its service offering. Early in 2019, the Group established a joint venture with Vantage Driller Co II, a subsidiary of Vantage Drilling International, called Advantage Drilling Services SAE (ADVantage).

Through the strategic partnership, ADVantage makes use of Vantage's drillship and deep-water drilling expertise as well as ADES' qualified local staff and pre-qualification in the Mediterranean Basin to maximize value for both parties while minimizing upfront investment expenditures. Later that year, the Group officially entered the sub-segment of the offshore drilling industry when it won its first two deep-water drilling contracts.



### 6.2.3 Operations in Kuwait

Following its purchase of 12 onshore rigs from Weatherford in November 2018, ADES made its debut in the very consolidated Kuwaiti market. Currently, 6 rigs are under contract.



### 6.2.4 Operations in Algeria

The Group first entered the Algerian market in 2015 when it bought the ADES 2 onshore drilling rig, which was brand-new when it was built. The Group's onshore fleet was later enlarged by two more purchases in 2016 and 2017 to three units.

With the conclusion of the Weatherford purchase in 2019, ADES' position as a significant drilling and workover services provider in the natural gas-rich market was further solidified. The Weatherford acquisition brought six onshore rigs to the Group's fleet, bringing the total to eight.

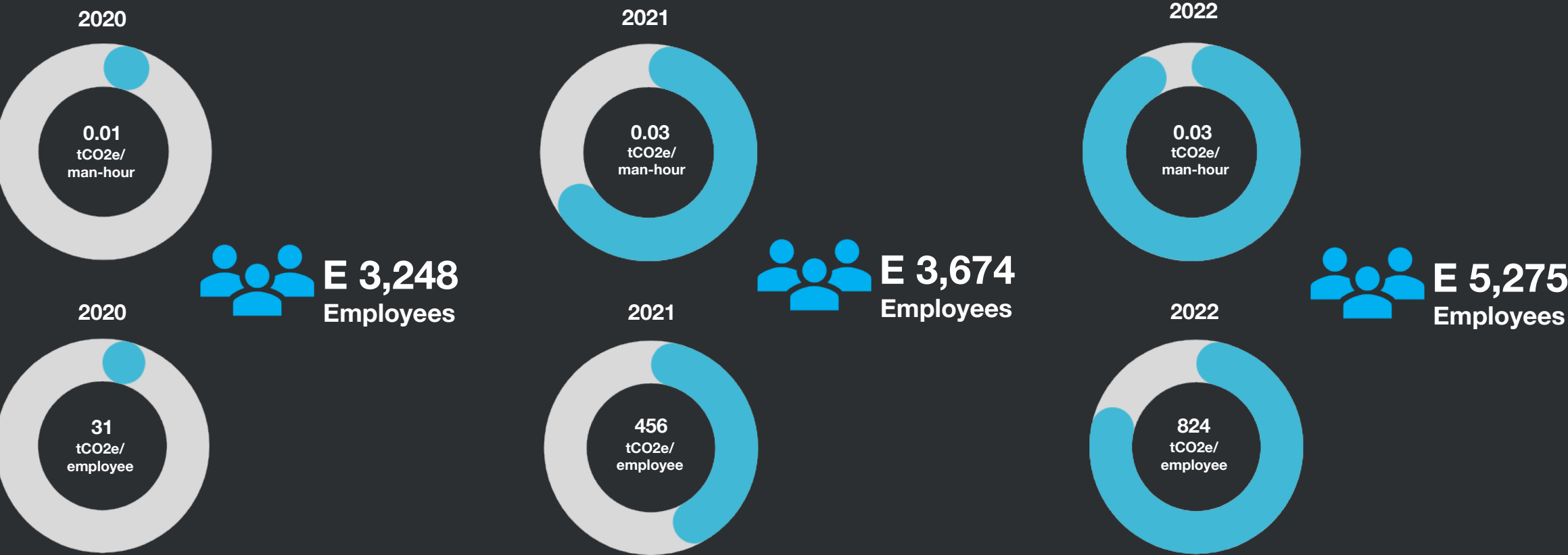
The Group's rigs are competitive with the other active operators in the nation in terms of rig characteristics, including top drive equipped units, maximum drilling depth, and average hook load capacity. They are rated at 1,000 HP or more. The subsidiaries of NOC Sonatrach, Entreprise Nationale de Forage (ENAFOR) and Entreprise Nationale des Travaux aux Puits (ENTP), are the main rivals of ADES in Algeria. Regarding fleet size, ENAFOR and ENTP are thought to hold a combined market share of roughly c.70%.

With six units rated at or above 1,500 HP and two smaller units of 1,000 HP, ADES is the largest multinational contractor in Algeria with its eight units. In comparison to the NOC averages of c.6 years (ENAFOR) and c.14 years (ENTP) as well as foreign rival KCA Deutag's fleet average of c.9 years, ADES also has the youngest average rig age in Algeria at c.5. The fleet's excellent standards and relative youth provide ADES a dominant position in the market.



6.3. GHG Emission Intensity of our business

ADES group's GHG emissions intensity increment is attributed to the fact that during 2020 operations were slow and remote due to COVID-19. Further, ADES has acquired new assets with operations which has resulted in the disruption of GHG emissions intensity.





### 6.3.1 Methane Emissions Monitoring



Engines are monitored and visual inspections performed to ensure effective operation.



Planned maintenance of engines.



Exhaust fans are supplied with filters to minimize the emissions produced.



Periodic third-party environmental measurements are conducted.



The requirements of the International Air Pollution Prevention certificate are met with regular checking.



Fuel consumption is monitored.

### 6.4. Key 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:



- ✓ **IPTC 2020:**  
ADES proudly served as a Bronze Sponsor and Exhibitor at the event.
- ✓ **IKTVA 2020**  
ADES showcased its commitment by participating as a Sponsor and Exhibitor.
- ✓ **IADC 2022:**  
ADES was honored with the IADC Southern Arabian Peninsula Chapter HSE Award for achieving the Best Recordable Incident Rate in 2022.
- ✓ **IPTC 2022:**  
ADES had the privilege of being the Principal Sponsor and Exhibitor at the event.
- ✓ **IKTVA 2022:**  
ADES took pride in being the Principal Sponsor and Exhibitor at the event.

## 7. Ethical Governance and Management

**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 Quality, Health, Safety, Security, and Environment (QHSSE) Department, we have developed a range of policies and procedures to ensure our operations align to 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.

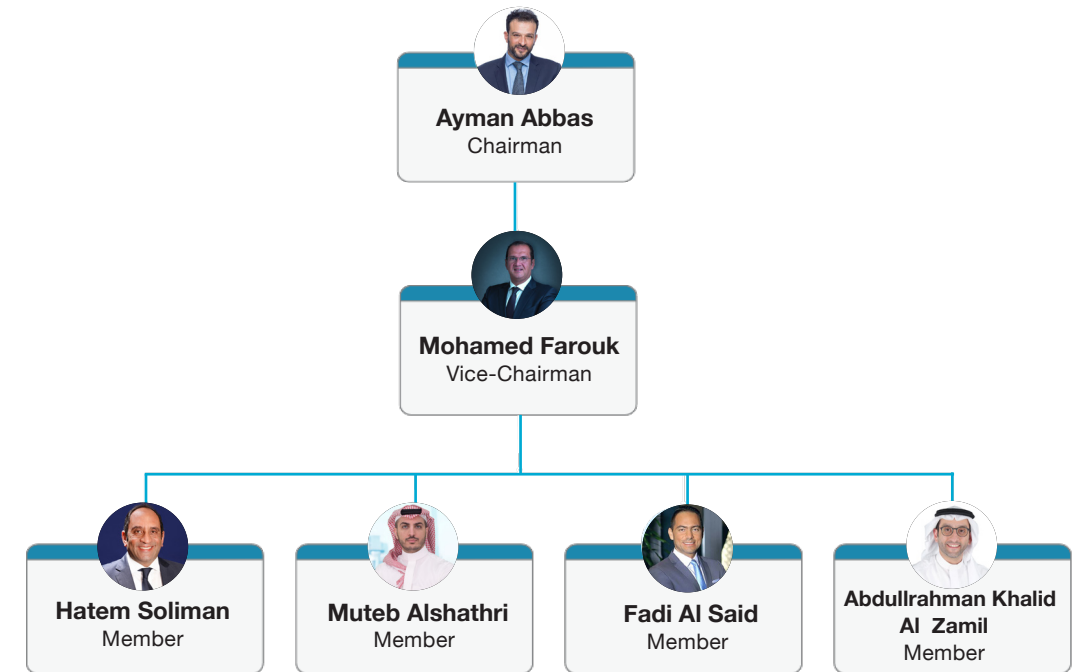




## 7.1. Board of Directors

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

	MEMBERS	RESPONSIBILITY	MEETING FREQUENCY
BOARD OF DIRECTORS	6 Directors appointed and 3 vacant seats to be filled in line with CMA requirements	Strategic oversight of management and business affairs.	Minimum 4 times a year
EXECUTIVE COMMITTEE	5 members	<ul style="list-style-type: none"> <li>Review commercial, financial and operational performance, function and planning of ADES.</li> <li>Receive and review information and reports relating to the group</li> <li>Review the executive committee reserved matters and related party transactions</li> </ul>	Minimum once a year
AUDIT COMMITTEE	Independent chairman 3 members	<ul style="list-style-type: none"> <li>Responsible for overseeing the group's corporate governance, risk management, compliance</li> <li>Financial and non-financial reporting, internal control, internal and statutory audits</li> </ul>	Minimum 4 times a year
REM & NOM COMMITTEE	Independent chairman to be appointed 3 members	<ul style="list-style-type: none"> <li>Oversight of remuneration arrangements</li> <li>Senior appointments &amp; succession planning</li> <li>Board evaluation</li> </ul>	Minimum 2 times a year

GRI 2021: 2-9, 2-11, 2-12, 2-14, 2-17, 2-18

## 7.2. 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.

The 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 ensures that organization is headed in the desired direction.



### 7.3. 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 are responsible for setting company-wide objectives and also 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. The Board's focus is on long-term sustainability, risk management, shareholder value creation and continued stewardship of the company's assets. This ensures that we maintain high standards of conduct that align with our commitment to business ethics and sustainability.

The governance framework as guided by the Board of Directors 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 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 sustainability policies, at all levels, remain relevant, and forward-looking and provide value-creation opportunities to our stakeholders.

### 7.4. 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.



## 7.5. 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.

## 7.6. 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. 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.



## 7.7. 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.

## 7.8. 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 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 and

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.

## 7.9. Data Governance & 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 sustainability 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.



## 8. Embedding Sustainability into the Organization

### 8.1. Sustainability 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 are developing 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 more than \$100,000 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.





## 8.2. Our Approach to Sustainability

Our ESG approach guided by transparency, accountability and materiality prioritizes 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 an 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.

We maintain the highest standards of ethical conduct, and we promote transparency through clear and comprehensive reporting on our ESG performance.

**We are committed to upholding corporate governance practices that align with best practices and that promote the long-term sustainability of our business.**

### 8.3. ADES Sustainability Framework

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

ADES is in the process of establishment of a new ESG framework throughout its business, with a key focus on people, processes, and plants



### Key Pillars of Health, Safety & Environmental Strategy



#### PEOPLE

- Dedicated supervision, coaching and mentoring
- Stop work authority enforcement and training through drills
- Safe operations Start “SOS”- task based assessment- deployed on all new rigs
- Reinforce the use of Area Authority on the rig
- Leadership and accountability workshops across the fleet
- ADES management field engagement and visibility
- New ADES recognition program



#### PROCESS

- Review ADES management system
- Rig under Care Program “Rig-UP” deployed for under performing rigs
- Digital training through customized HSE awareness videos
- Rig Self Assessment leveraging on the RHSEI auditing items
- De-risking 3rd party services on board the rigs through combined JSAs
- Re-enforce 24-hour and 14-day lookahead planning
- Centralized 24/7 journey management center & geo fences



#### PLANT

- Rig specific operating procedures enhancement through OE
- Process safety educational material with specific risk matrix
- Deployment of a new asset integrity system
- Engine performance condition monitoring
- Revamped technical training for rig maintenance crews
- Partnership with DNV for audits and support for 3rd parties
- Received certification for quality, safety and environmental systems



## Key Highlights of ADES Sustainability Framework

### ENVIRONMENT

- Solar lighting system applied on land rigs specific areas like yards, security gates
- Formal service agreement with certified and government approved waste management.

### ECONOMIC

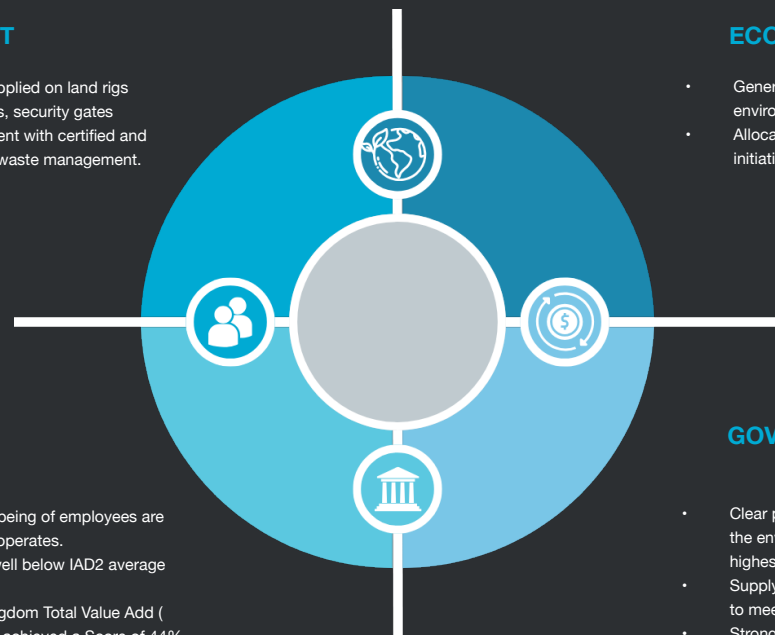
- Generate sustainable revenue through best environmental management practices.
- Allocate necessary budget for the sustainable initiatives.

### 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

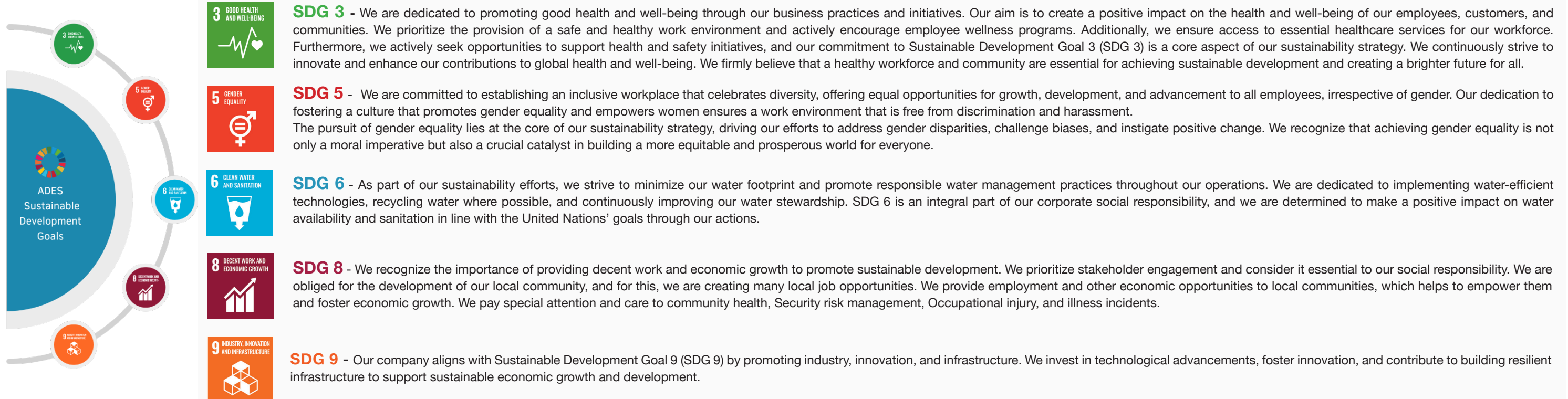
- Clear policies and practices in place to protect the environment, human rights and operate to the highest ethical standards.
- Supply chain policies in place for ADES suppliers to meet ADES Sustainability efforts.
- Strong governance framework with experienced board.
- Ambition to hire more female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



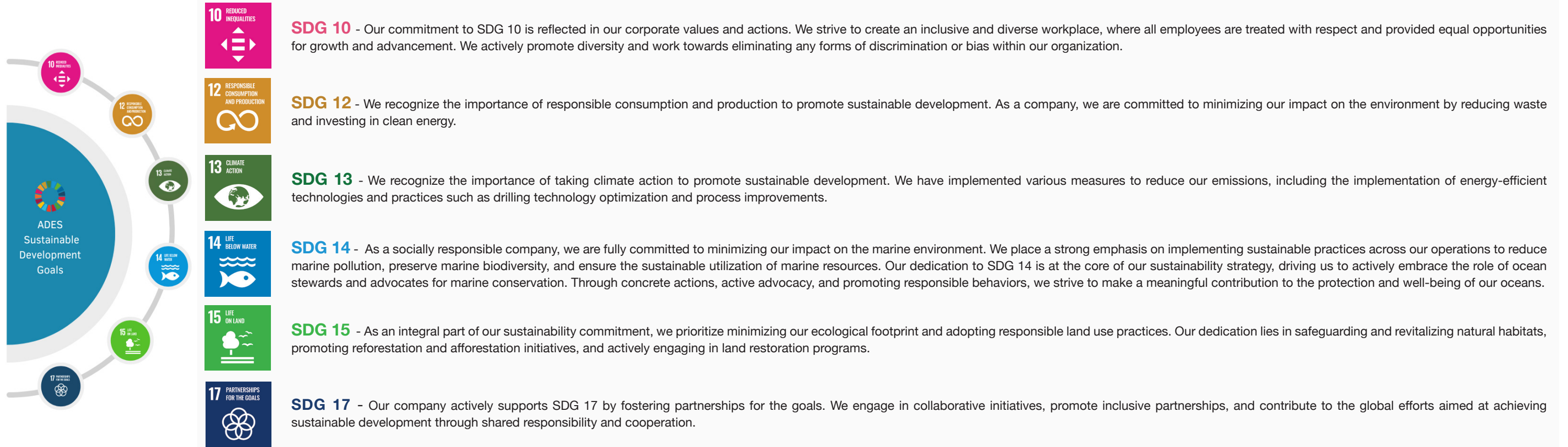


## 8.4. Our Alignment with UN Sustainable Development Goals

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:



## 8.4. Our Alignment with UN Sustainable Development Goals



## 8.5. Stakeholder Engagement

Our stakeholders are important for us to continuously evolve in an ever-changing world. We engage with stakeholders to identify what is essential for the business and communicate with them on economic, environmental, social, and governance issues.

In 2021-2022, we conducted several events, activities, surveys, meetings etc. to directly engage with our stakeholders. Through these engagements, we inform them of our progress, new developments, strategic decisions, our priorities, etc. where they can share their feedback and suggestions. This helps us improve as a responsible and sustainable business. Meetings, internal communication and focus groups, and feedback sessions were the critical tools for us in 2021-22 for stakeholder engagement.

To develop our materiality list of materiality disclosures, we shared an online survey amongst our stakeholders to gain insight into what they consider essential for us to disclose in our sustainability report.

Stakeholder surveys were conducted last year, and all surveys were prepared with a specific agenda and goal to make it easier for everyone to communicate. Stakeholder surveys mainly focused on engaging various groups – Regulatory authorities, suppliers, customers, community,

and industry peers.

The survey participants were requested to rate the sustainability topics on a scale of 1 to 10, which is later converted into a materiality matrix for better visualization of the data so that inferences can be drawn, and the sustainability topics could be prioritized. By conducting these surveys, we also let the stakeholders know that we seek their expertise and feedback in defining the content of our sustainability report, and their opinion is of utmost importance to us in realizing the goal of a completely sustainable ecosystem.

### Outreach Satisfaction Assessment

The workshops and the interactive sessions with various stakeholders are closely followed up for feedback to assess the overall satisfaction of the attendees and their inputs on specific elements, to enhance their experience in the future.

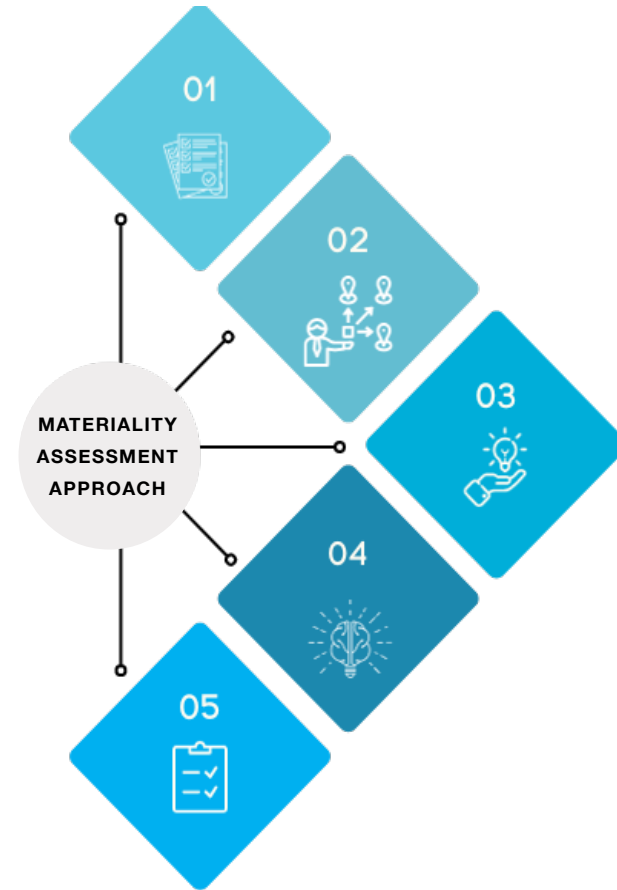




## 8.6. Materiality Assessment

A Sustainability report reflects a company's economic, environmental, and social influence within and outside the organization. Through them, stakeholders gain deeper insights into an operation, and benefit from the opportunity to submit feedback and influence decisions for the betterment of the organization and nation. While considering the disclosures that would be considered for the report, multiple methodologies were adopted.

**Material sustainability topics of the Enterprise were finalized through a systematic approach:**



01

### Sustainability Brainstorming Sessions

Series of brainstorming sessions were conducted to understand the sustainability priorities of the organization in different departments and divisions. These sessions set the guidelines and the central theme for the current sustainability report.

02

### Questionnaire Development

Basis the brainstorming sessions, a detailed survey questionnaire was prepared. The questions were based on GRI standards and addressed a wide range of economic, environmental, social, and governance concerns.

03

### Questionnaire Distribution - Online Survey

To supplement the brainstorming and questionnaire distribution results, Enterprise conducted an online survey to cast a wider net for collecting feedback. A detailed survey questionnaire format was created online and then shared across various channels for collecting responses from the stakeholders.

04

### Prioritizing Sustainability Issues

The questionnaire results from surveys were collated together based on the priorities set by our stakeholders.

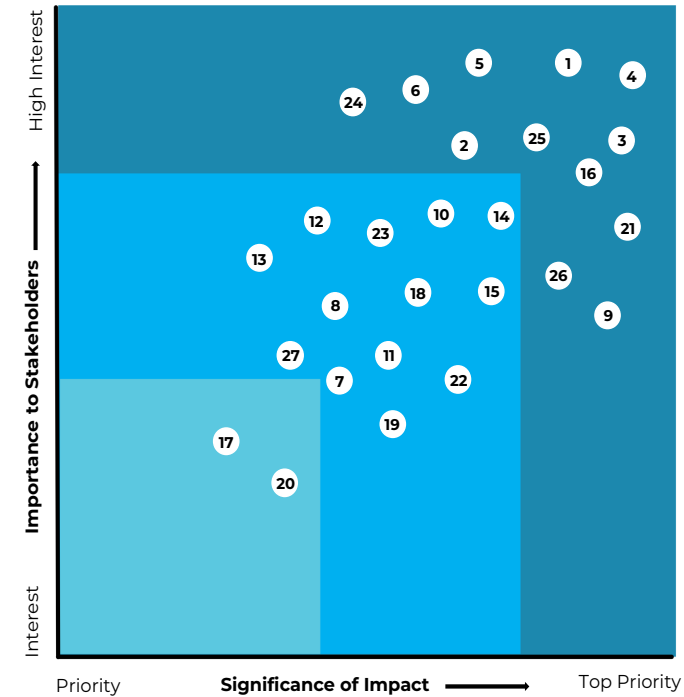
05

### Alignment with National and International Plans and Commitments

The finalized topics were compared with various national and international commitments and priorities such as – The Paris Climate Agreement and the UN's SDGs. A list of finalized material topics was then compiled for approval by ADES leaders and executives.







## Material Matrix



- Most Important
- More Important
- Important





We consider the materiality analysis as a vital tool to identify our most relevant economic, environmental, social, and governance priorities consistent with ADES's vision and business strategy and to define the contents of our sustainability report. We plotted the topics as represented in the matrix through rigorous stakeholder consultation. Through this matrix, we have identified the issues that significantly impact the economic, social, and environmental performance of the Enterprise or that may substantially influence stakeholders' perceptions and decisions.

#	MATERIAL TOPICS GRI	DESCRIPTION	MATERIAL TOPIC UN SDG	BOUNDARIES	PRIORITY
1	403	Health and Safety		ADES	Most Important
2	201	Finances		ADES	Most Important
3	401	Employee turnover rate		ADES	Most Important
4	305	Emission		ADES	Most Important
5	103-2	Workforce and Contractor Grievances		ADES	Most Important
6	403	Climate Change Mitigation & Adaptation		ADES	Most Important
7	303,306	Waste Management		ADES	More Important

#	MATERIAL TOPICS GRI	DESCRIPTION	MATERIAL TOPIC UN SDG	BOUNDARIES	PRIORITY
8	410	Security of Infrastructure/Assets		ADES	More Important
9	403	Safeguarding Health During the Modern Health Crisis		ADES	Most Important
10	418	Cybersecurity and data protection		ADES	More Important
11	406	Business Ethics, Integrity, Transparency & Anti-Corruption		ADES	More Important
12		Infrastructure and overall services		ADES	More Important
13	415	Compliance with International, Sustainability Regulations & Frameworks		ADES	More Important
14		Operational efficiency		ADES	More Important



#	MATERIAL TOPICS GRI	DESCRIPTION	MATERIAL TOPIC UN SDG	BOUNDARIES	PRIORITY
15		Emergency Preparedness		ADES	More Important
16	201,203	Economic Growth		ADES	Most Important
17	416	Customer Privacy and Safeguarding Customer Information		ADES	Important
18	204	Sustainable Procurement		ADES	More Important
19	308	Compliance with Federal and Local Sustainability Regulations & Frameworks		ADES	More Important
20	404	Training, Education, and Growth of Employees		ADES	Important
21	203	Economic Contribution to Sustainability Matters		ADES	Most Important

#	MATERIAL TOPICS GRI	DESCRIPTION	MATERIAL TOPIC UN SDG	BOUNDARIES	PRIORITY
22	308	Sustainability (Economic, Environmental, and Social) Assessment of the Supply Chain		ADES	More Important
23	413	Local Community		ADES	More Important
24	405,406	Equal Opportunity and Diversity		ADES	Most Important
25		Corporate Volunteering		ADES	Most Important
26	405	Equal Opportunity and Diversity		ADES	Most Important
27	304	Biodiversity Conservation		ADES	More Important

## 9. Sustainable Economic Growth

ADES is dedicated to achieving enduring and sustainable economic growth by combining various elements into its operational framework. These elements include the promotion of environmental resource efficiency, investment in employee training, engagement in community initiatives, and a focus on sourcing products from local suppliers. Despite the challenges posed by the COVID-19 pandemic between 2020 and 2022, ADES has not only persevered but thrived, resulting in a remarkable upsurge in its business revenue. This achievement underlines the company's resilience and strategic prowess.

Furthermore, ADES has made substantial strides in manifesting its commitment to social responsibility. Notably, the company has substantially tripled its investments in the community. This action underscores its dedication to making a tangible and positive impact on the communities it serves.

ADES's holistic approach to long-term sustainable economic growth is characterized by a multifaceted commitment. Firstly, the company places great importance on environmental resource efficiency, seeking to minimize waste and reduce its environmental footprint. Second, ADES is deeply invested in the ongoing development of its workforce, ensuring that its employees are well-

equipped with the skills and knowledge needed for success. The company's commitment to employee training not only enhances its performance but also fosters job satisfaction and career advancement among its staff. Additionally, ADES actively engages with and invests in the communities where it operates, contributing to their betterment and well-being. Finally, by sourcing products from local suppliers, ADES supports regional economic growth and bolsters the resilience of its supply chain.

### 9.1. Prudent Practices in Sustainable Business Growth

At ADES, we recognize the significance of sustainable business growth for the advancement of society and the environment as well as for the long-term success of our company. We are dedicated to implementing responsible habits that go along with our guiding principles and promote a more sustainable future.

We conduct regular sustainability risk assessments to identify potential environmental, social, and governance (ESG) risks that could impact our operations. These assessments inform our strategic planning and risk management processes.

ADES has implemented energy-efficient technologies across our operations to reduce our carbon footprint.

### 9.2. Sustainable Supply Chain Management

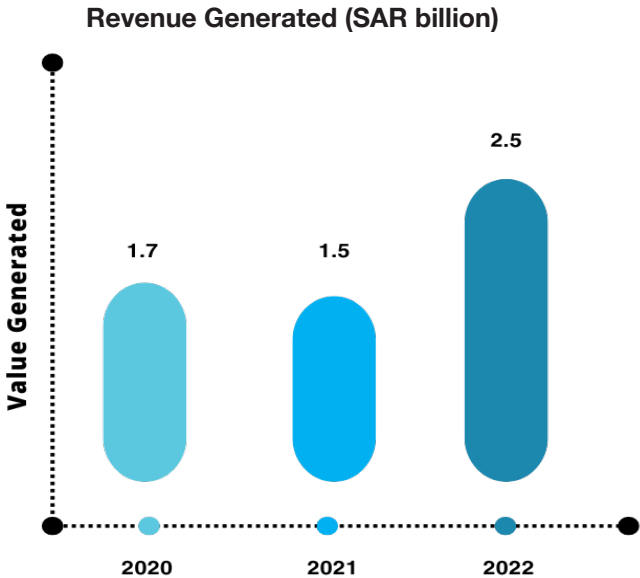
At ADES, we understand that supply chain management is essential to accomplishing our sustainability objectives. We are dedicated to promoting a sustainable supply chain that improves our operational effectiveness, is consistent with our values, and helps create a more sustainable world.

### 9.3. Economic Development

ADES, a prominent player in the oil and gas industry, has a significant impact on economic development in the regions where it operates. The company's activities contribute to job creation, revenue generation, and infrastructure development. In 2022, ADES achieved a strong performance, with revenue increasing by over 300%, reaching nearly SAR 2.5 billion compared to 2020.

The company's investments in energy-related infrastructure, such as drilling operations and facilities, provide a substantial boost to the local economy, creating jobs and supporting regional development. Additionally, ADES actively engages with local suppliers and service providers, bolstering the regional supply chain and creating additional economic opportunities.

ADES's commitment to sustainability and responsible practices ensures long-term economic benefits. By providing reliable energy sources, promoting technological advancements, and minimizing environmental impacts, ADES plays a pivotal role in supporting the growth and resilience of local and national economies.



Exceptional team effort propelled revenue from **1.7 to 2.5 billion SAR** during 2020-2022.










# 10. Environmental Initiatives

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:

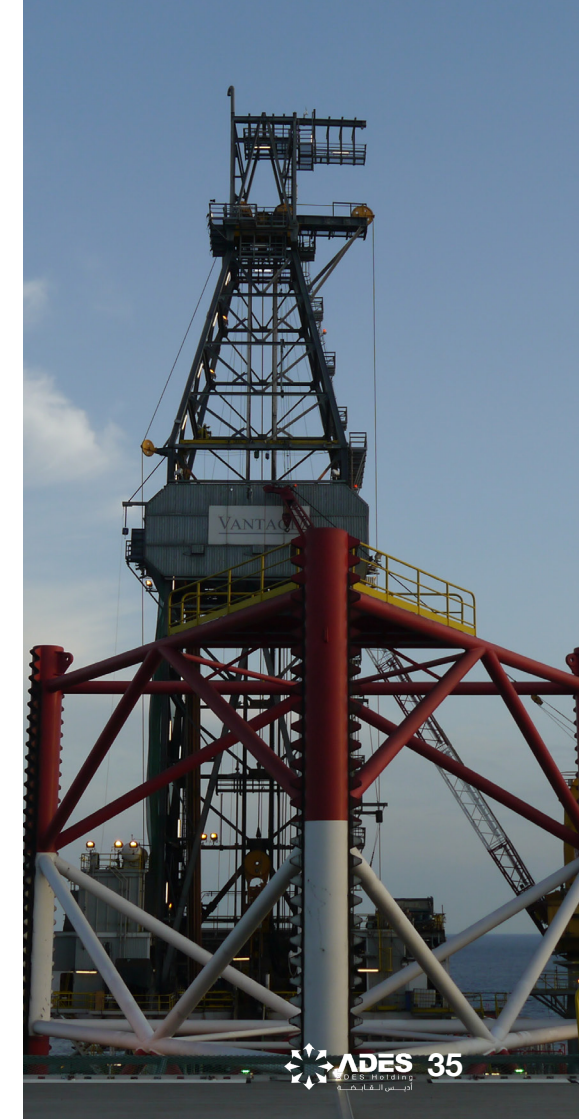
-  Recycling and reconditioning used parts with a target of ensuring 10% of all engine components to be made from re-cyclable components.
-  Continuous monitoring of engine performance across all the oil rigs to mitigate any potential deviations in the desired performance.
-  Installation of heaters to ensure engine warmth and thereby minimize Diesel fuel consumption.
-  Leveraging advanced data analytics to map the load profile and minimize inefficient power use.
-  Internet of Things (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. It is part of an ongoing program **to achieve a 100% LED lighting transition for onshore and offshore facilities.** And also equipped our rigs with LED lighting system which reduced our fuel consumption. rigs with LED lighting system which reduced our fuel consumption.





Another Key endeavor by ADES includes its efforts towards reducing emissions.

- **In order to eliminate debris in engine oil, metal detectors and an extra filtration system are installed on all main engines**
- **A 24/7 online engine performance / parameters monitoring system is being implemented to record engine parameters (like fuel, air, oil, exhaust, etc.) pressure and temperature for real time warning alarms via text messages /emails.**
- **Efficiency improvement through Multi Engine Optimizer (MEO), that reduces fuel, engine hours and CO2 emissions.**

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.





## 10.1. Environment Management Approach

The expansion of development activities to meet the demands of rapidly industrializing nations can be achieved safely, with minimal adverse environmental consequences, only by demonstrating a robust dedication to environmental protection. However, it's essential to recognize that having policies and commitments in place alone does not guarantee that environmental performance will align with legislative, corporate, or industry best practice standards. Hence, ADES has obtained ISO 14000-14001 certification, comprising a dynamic set of universal standards that furnish businesses with a framework for handling environmental impacts.

To ensure the successful implementation of such a management system, the following prerequisites must be met:



**Clear analysis of current practices**



**Good communication within organization**



**Relevant training**


ADES has put into practice an environmental management policy. The sustainability manager assumes responsibility for ensuring that routine environmental activities align with this policy and relevant procedures. This will be achieved through the use of a training matrix and the maintenance of appropriate procedures. These environmental policies and procedures are designed to operate independently and as integral components of a system that offers insight, detailed information, directives, suggestions, and prerequisites aimed at achieving compliance, establishing a baseline assessment, setting goals, and fostering continuous improvement.

GRI 2021; 3-3, 2-7, 308-1

All units or MODUs will uphold environmental awareness and strive for ongoing enhancement by means of:

- Establishing baseline operations and setting goals for improving performance.
- Evaluating material and operation usage and seeking ways to reduce and / or eliminate hazardous constituents to improve the front end of purchase and the back-end disposal costs.
- All required approvals are sought from immediate/line HSE Manager/Superintendent, or designated representative for procurement of any new chemical.
- The unit/MODU shall keep a chemical inventory in EHS Insight Dashboard as required by HSE 200.02.
- This inventory will be evaluated by the immediate/line HSE Manager/Superintendent, or designated representative, for elimination or substitution options.
- Establishing goals of recycling as much as possible by assessing all products purchased and used.
- ADES Environmental monthly summary must be filled out and submitted on EHS Insight Dashboard by the 7th day of the following month.





## Waste Management Initiatives

ADES enforces a strict prohibition against releasing any oily machinery wastewater into the water without it first undergoing proper treatment through an operational oily-water separator.

- ✓ All such wastewater shall be captured in tote tanks, shale barge cutting boxes, or other appropriate containers and sent to shore for proper disposal.
- ✓ The use of bilge system, skimmer tanks, U-tube system, or similar system for overboard discharge of oily machinery wastewater is prohibited.
- ✓ All oily water separators shall be used and maintained in accordance with ADES policy, manufacturer recommendations, and customer / regulatory requirements.
- ✓ The volumes of all oily machinery wastewater discharge through an oily water separator or shore-side disposal are to be recorded in the Oil Record Book and the Environmental monthly summary on EHS Insight Dashboard

GRI 2021: 3-3, 302-1,302-2, 302-3, 306-2,306-3,306-4

## 10.2. Energy Transition - Efficient Technology and Sustainable Solutions

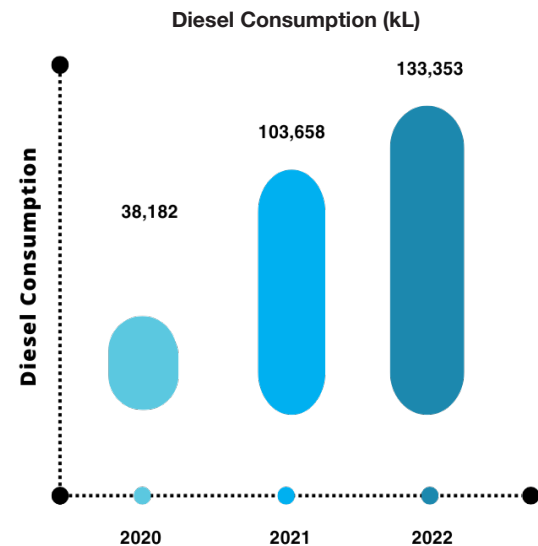
Energy transition is the process of shifting from traditional fossil fuels to cleaner, more sustainable forms of energy. At ADES, we recognize the importance of energy transition to promote sustainable development and are committed to play our role to achieve this transition.

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.

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.

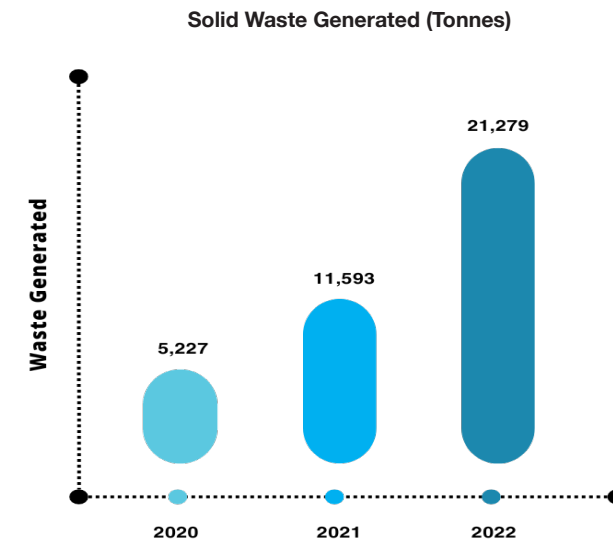
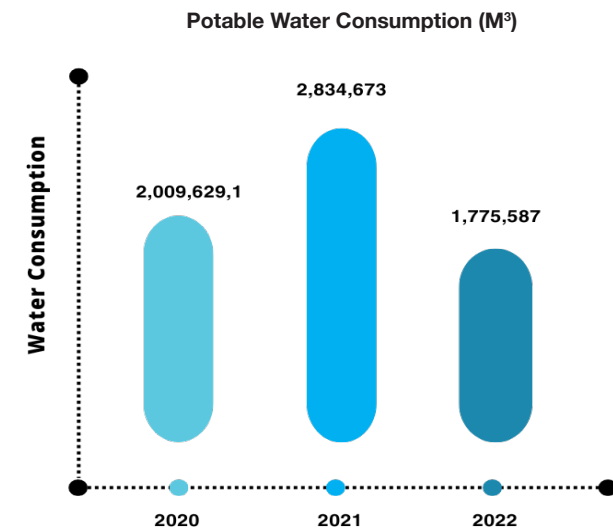
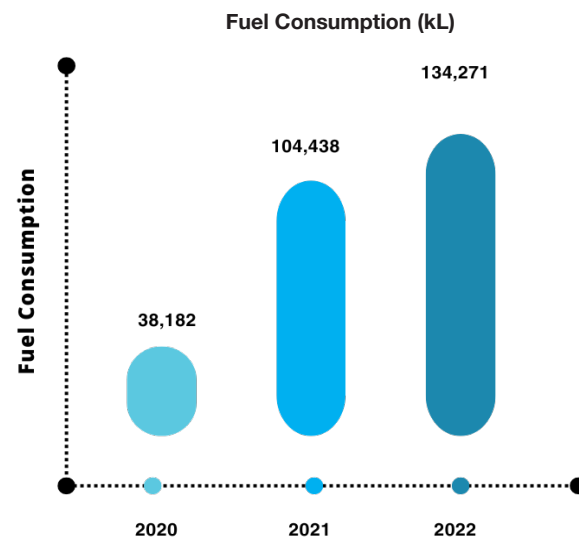
Our primary focus lies in implementing advanced technological solutions to reduce carbon emissions across our rigs and engines. By leveraging these innovations, we enhance the fuel and engine efficiency of our rigs, promoting more sustainable and efficient operations.





Encouraging innovative solutions, our aim is to minimize operational impact for a cleaner, healthier planet.

We achieve this through energy-efficient measures, fostering circular economic activities, and waste minimization.



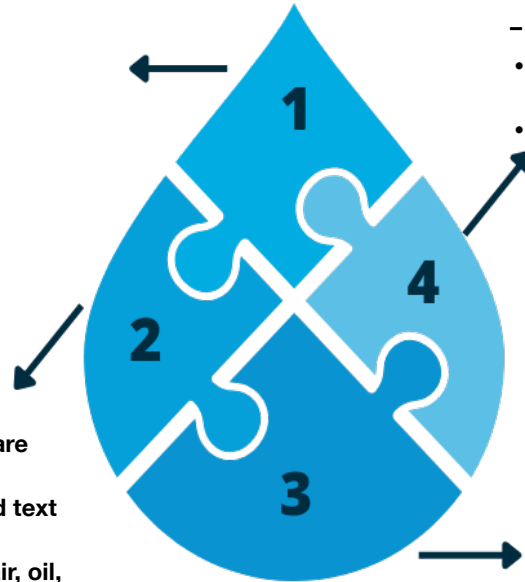
## 10.3. ADES Sustainability Initiatives Roadmap

### Monitoring the Fuel Consumption - Pilot project

- Compare between actual and theoretical fuel consumption

### Monitor Engine Performance/ parameters online 24/7 – implementation stage

- 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



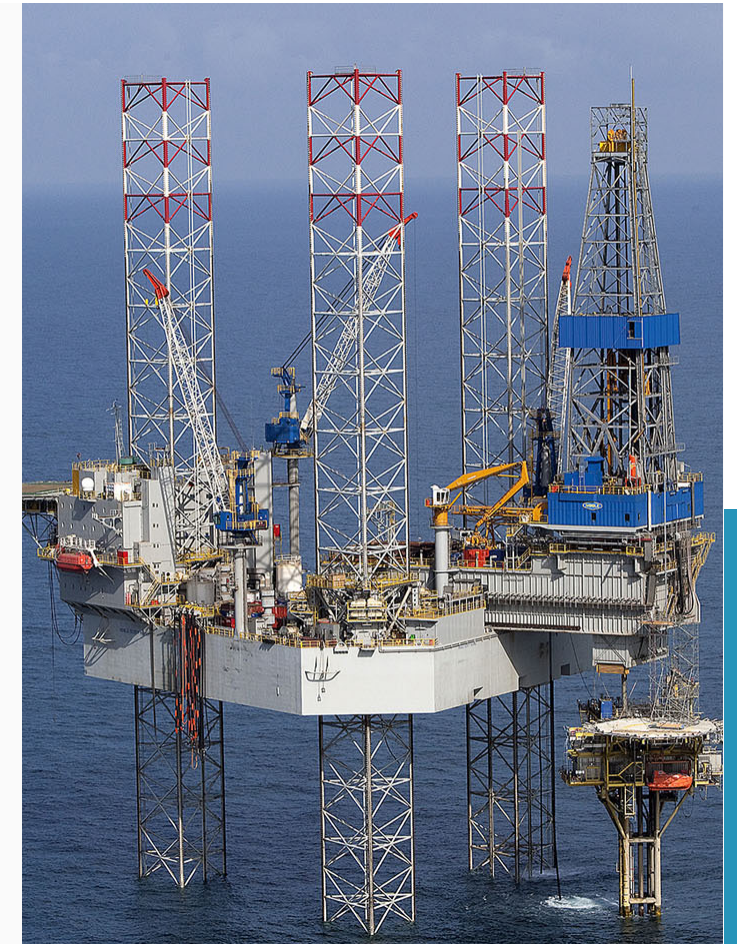
### Eliminate Debris in Engine Oil – On going

- Install metal detector on all main engines.
- Install extra filtration system.

### Oil Condition Monitoring online 24/7 – Pilot project





- Email alarm if there is fuel in oil.
- Count ferrous and non-ferrous debris.

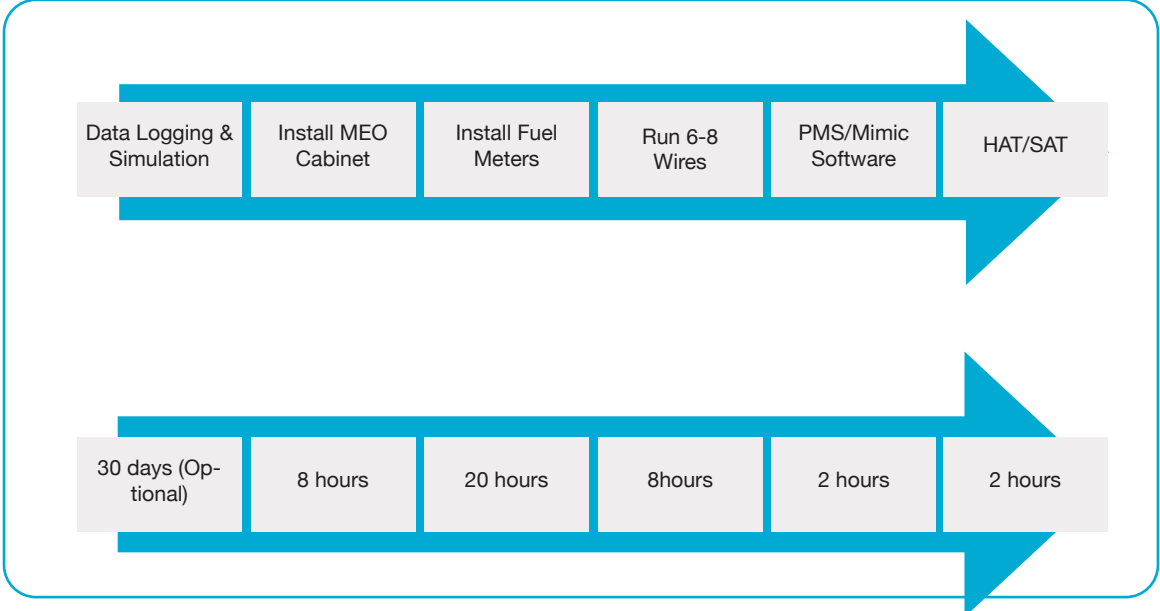
**In the upcoming year, ADES intends to introduce Rigeye and CAMS, Rigeye is a pioneering smart system technology that acts as a formidable tool! And the implementation of the Core ADES Management System (CAMS) will be pivotal in promoting transparency and strengthening overall safety standards organization-wide.**



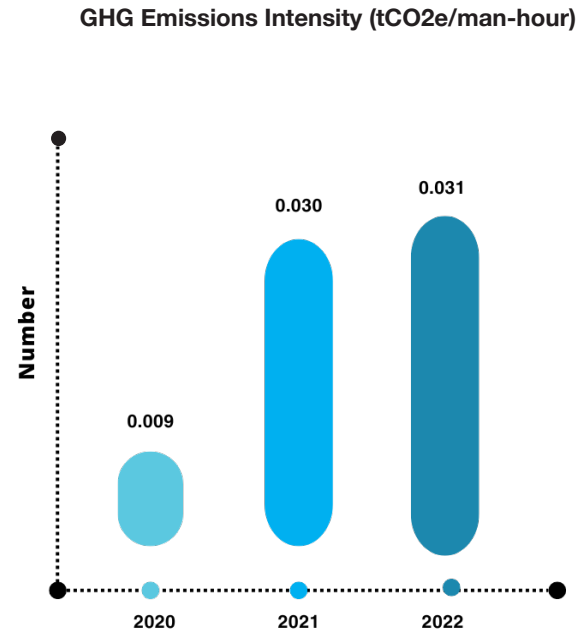
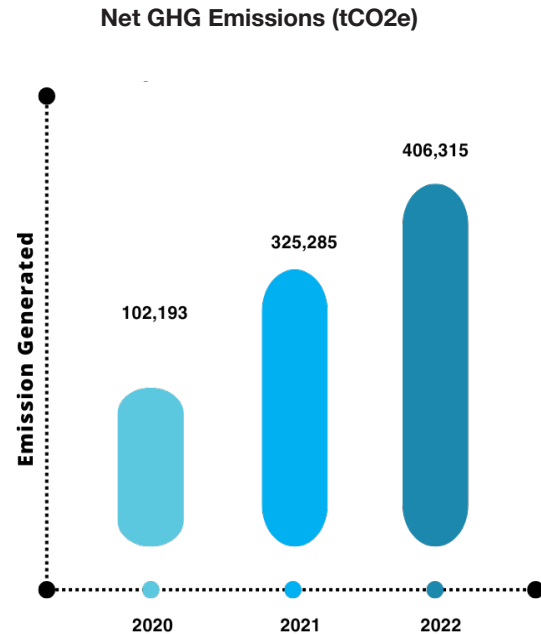


6. MULTI Engine Optimizer (MEO) :

-  Reduce Fuel
-  Reduce Engine Hours
-  Reduce CO<sub>2</sub>
-  Improve Efficiency



# 10.4. GHG Emissions



The increase in the trend of GHG emissions is attributed to an increase in business activities during 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.

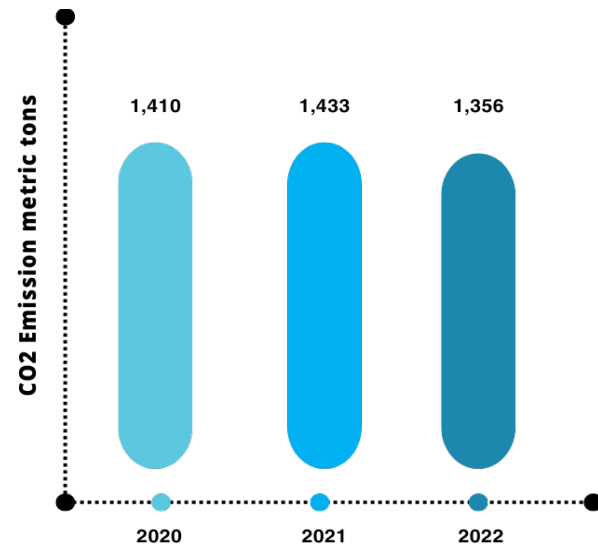
We also leverage the power of data analytics to help us identify areas where we can reduce energy consumption and improve overall efficiency. Our data analytics platform allows us to monitor energy consumption in real-time and identify areas where energy optimization techniques can be implemented. By 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. As a part of our ongoing electrification project, till date our fleet has replaced 35% of their traditional lights with LEDs. The electricity generated by solar power contributes significantly to our overall energy mix, reducing our carbon footprint and promoting sustainability.

## 10.5. Air Emissions

ADES consistently conducts emissions measurements for various known atmospheric pollutants. Our annual Air Quality Programme remained operational across multiple rigs, this activity is for the purpose of ensuring environmental compliance with the Environmental Agency and its Executive Regulations issues. This air quality program encompassed emissions measurement and ambient air quality assessments for substances such as carbon monoxide (CO), sulfur oxide (SOx), nitrogen oxides (NOx), particulate matter (PM10 and PM2.5), and total suspected particulates (TSP). Furthermore, the data gathered from air quality emissions also offered insights into greenhouse gas emissions from exhaust stacks, specifically those generated by our generators.

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



We are committed to upholding superior air quality standards, continuously aiming to establish industry-leading benchmarks for monitoring and measuring emissions across all our operational locations worldwide.

GRI 2021: 3-3, 305-7

## 10.6. Energy

Operating within an industry known for its significant carbon emissions, ADES acknowledges the responsibility in expediting the shift toward a low-carbon economy and protecting the environment. The Scope 1 carbon footprint results from the consumption of diesel fuel sourced from our owned or controlled sources. Diesel fuel serves as a primary energy source at all operational rigs onshore and offshore, powering both our rigs and accommodation facilities. We maintain a comprehensive monitoring system for diesel usage in our operations in Egypt and Saudi, which offers the most detailed data granularity.

We calculate Scope 1 carbon emissions by aggregating consumption data from all four regions in our Group, utilizing emission factors consistent with the GHG Protocol. This methodology enables us to accurately assess our direct emissions and maintain alignment with recognized standards for greenhouse gas accounting.

ADES remains dedicated to further aligning its data collection practices with regional regulatory requirements and industry best practices.





## 10.7. Water and Wastewater Management

Waste and wastewater management in the oil and gas industry involves the careful handling, treatment, and disposal of various types of waste and wastewater generated during their operations. This aspect of environmental management is crucial to minimize the industry's impact on ecosystems, human health, and regulatory compliance.

ADES understands the importance of conscientiously handling and treating water before releasing it back into the environment, and we have established a thorough program for managing wastewater effluents.

Key considerations and practices include:



Storage and Segregation of Wastes and Materials



Waste and liquid products are required to be stored in specific areas using secondary containment systems.



The characteristic and volume of the wastewater generally determines Waste Generator status.



The Hazardous Waste Accumulation and Disposal Log shall be used to maintain an inventory of generated hazardous wastes and wastes sent in for treatment or disposal.



The Refuse and Disposal Log will be used to inventory and track non-hazardous waste.

## 10.8. Waste Management

ADES is dedicated to ensuring that all generated waste undergoes proper identification and is stored until it can be collected, transferred, and managed in an environmentally responsible manner, whether for re-use, recovery, recycling, treatment, or disposal. Our commitment includes taking all necessary measures, including the recycling of various waste materials such as paper, glass, tin, scrap metal, etc. Hazardous waste mixed with any other waste must be managed as hazardous waste to minimize both the quantity and the potential hazards associated with the waste we generate. Additionally, we maintain a rigorous waste segregation process at all times, ensuring that waste is identified, categorized, and meticulously documented.

In the context of our operations, waste generation primarily emanates from offshore and onshore activities related to drilling operations. These activities result in the creation of a diverse range of waste types, encompassing both hazardous and non-hazardous industrial waste.

The waste generated undergoes meticulous segregation based on its type, whether it be paper, plastic, solid, hazardous, medical waste, food waste etc. and accordingly loaded into specially designed skips.

Subsequently, these skips are transported via supply vessels to our bases. Upon arrival at these bases, the skips are loaded onto trucks for onward transportation to the appropriate waste management facilities. Similar segregation and transportation processes are applied to the waste generated at the bases, ensuring that it reaches the appropriate facilities for responsible management.

## 10.9. Biodiversity

In line with its commitment to biodiversity conservation, ADES has initiated a tree-planting program, thereby actively contributing to the enhancement of natural ecosystems. This initiative reflects ADES's dedication to environmental sustainability and reinforces its role in supporting and preserving biodiversity.






# 11. Protecting Our People

## 11.1. Response to Contemporary Global Health Crises (such as COVID-19)

In the year 2020, the global pandemic brought forth an unprecedented level of disruption, unlike any challenge we have faced in our lifetimes. Operating a business, with its implications on health and safety (H&S) and overall well-being, took on entirely new dimensions. The mandates of safe practices, social distancing, and heightened sanitation became imperative requirements.

Since the onset of the COVID-19 pandemic, ADES has consistently taken proactive measures to mitigate the potential impact of the virus. Our objective has been to bolster our preparedness not only for immediate concerns but also for potential future waves of infection. Our aim is to fortify our ability to respond promptly and effectively. To this end, we have implemented comprehensive management plans across all regions and within the communities where we conduct our operations. These plans are designed to ensure the continuity of our activities while prioritizing the health and well-being of our employees and have lead to **56.25% decrease in number of recordable cases between 2020 and 2022**

In our office activities, we demonstrated agility in responding to the crisis by swiftly formulating and implementing policies aimed at fostering a clean and safe working environment for our staff. These measures included:

-  Implementing daily temperature screening for employees, as well as catering and security staff.
-  Transitioning all client meetings to video or teleconference calls.
-  Conducting site meetings with a one-meter social distancing rule in well-ventilated areas or outside in open air.
-  Establishing a work-from-home policy with clear communication and guidelines for office-based employees across all regions.
-  Reducing third-party visits.

In our rig activities, we developed robust contingency plans to ensure the safety of our employees. These initiatives encompassed:



**Extended rotations:**  
28-day stints



**Safe crew changes:**  
14-day base quarantine



**Daily health checks:**  
Rig doctor monitors temperatures



**Spaced-out meals:**  
Smaller groups in mess rooms



**3-month stockpiles:**  
Essential materials & inventory



**Food for quarantine:**  
14-day contingency on rigs



**Global guidance:**  
WHO, International SOS & local authorities



**Proactive monitoring:**  
Risks, triggers & response actions



**Fast testing:**  
COVID-19 tests for rig personnel



**Daily hygiene checks:** Medical staff inspections



**Cleanliness champions:**  
Safety & camp managers oversee sanitation



In terms of communication and outreach efforts, ADES extended its commitment to the health and well-being of not just our employees but also their families, friends, and local communities. We initiated a range of communication activities to ensure that they had access to sufficient information on safeguarding themselves against COVID-19. These activities included:

- Developing a comprehensive guide for employees and their families on preventive measures and enhancing awareness regarding self-protection.
- Enlisting dedicated ADES doctors to support our employees and their families in the event of infections.

Our dedication to health, safety, and well-being remains steadfast, reflecting our commitment to safeguarding our workforce, their loved ones, and the communities we serve in these challenging times.

## 11.2. Health, Safety, Environment Management Systems (HSEMS)

ADES hold an unwavering commitment to the principles of safety, environmental preservation, and the well-being of all individuals within our sphere of operations. These guiding principles are deeply ingrained in our corporate ethos and are accorded equal importance alongside other critical facets of our business, including operational efficiency, customer service excellence, and financial viability.

ADES is dedicated to conducting all its activities in strict adherence to both the explicit requirements and the overarching spirit of international and local environmental laws, regulations, and any other obligations we have chosen to embrace. This commitment extends to all facets of our operation, reaffirming our responsibility to safeguard health, safety and environment and minimize any detrimental impacts arising from our activities.

Moreover, we understand that our journey toward excellence is a continuous one. In this spirit, ADES has embarked on a systematic process of continual improvement. We believe that the pursuit of excellence is an ongoing endeavor that requires dedication, adaptability, and a proactive approach to evolving industry standards, best practices, and the changing needs of our key stakeholders.

GRI 2021 : 2-7, 3-3, 403-1







ADES commit to the following:

- An Injury / Accident-Free Workplace is our goal.
- Management at different organizational levels will be actively involved and commit sufficient financial and other resources necessary for superior health and safety performance.
- The safety of our people and the environment will not be compromised “at any cost.”
- Time out for safety (TOFS) & Stop Work Authority (SWA) will always be respected, tolerated, and appreciated.
- Preserving the environment where we operate while minimizing waste and carbon footprint.
- Play a leading role in promoting best practices in our industries.
- Compliance with all applicable local and international regulatory and other requirements is maintained.
- Sets targets for improvement and measures, appraises, and reports performance.
- Identifying customer requirements and communicating the needs within the different company departments to guarantee continuous customer satisfaction.

# 11.3. Health, Safety and Security

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 the health and safety of our people is essential for the success and growth of our business.



GRI 2021 : 2-7, 3-3, 403-1

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

We empower our workforce by protecting 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



#### Step One

Document the facts if possible



#### Step Two

Indicate if its a safety or a legal issue  
that you want to report on



#### Step Three

Make the call or send the e-mail



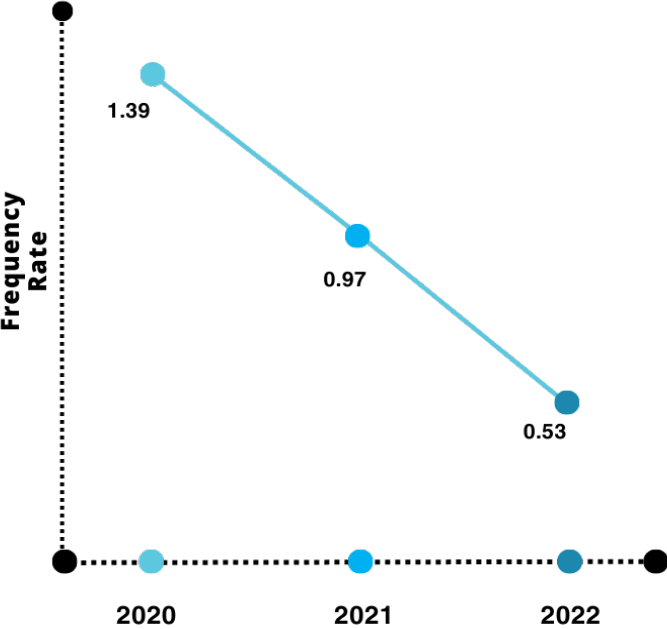
#### Step Four

Decide if you want to remain  
completely anonymous



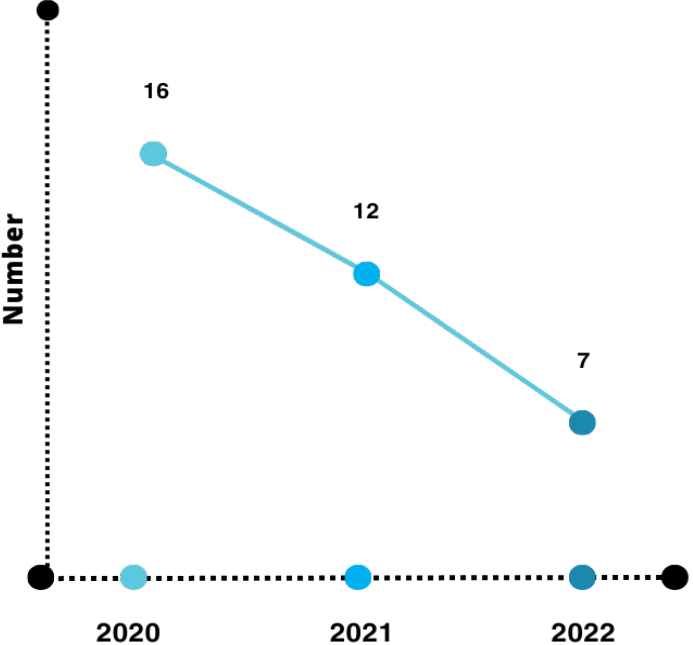
Through our unwavering commitment to safety, the diligent implementation of advanced safety technology, and the strict adherence to comprehensive safety rules and protocols, we have achieved remarkable results in reducing the frequency of injuries, recordable cases, medical treatment cases, and accidents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

Recordable Injury Frequency Rate (RIFR)



**Significant ↓ in Frequency of reorded injuries:**  
**62%** 1.39 (2020) to 0.53 (2022)

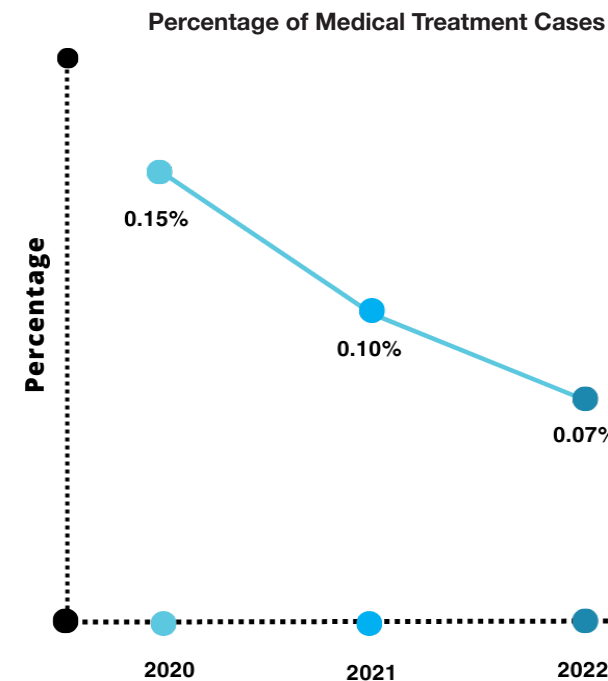
Number of Recordables Case



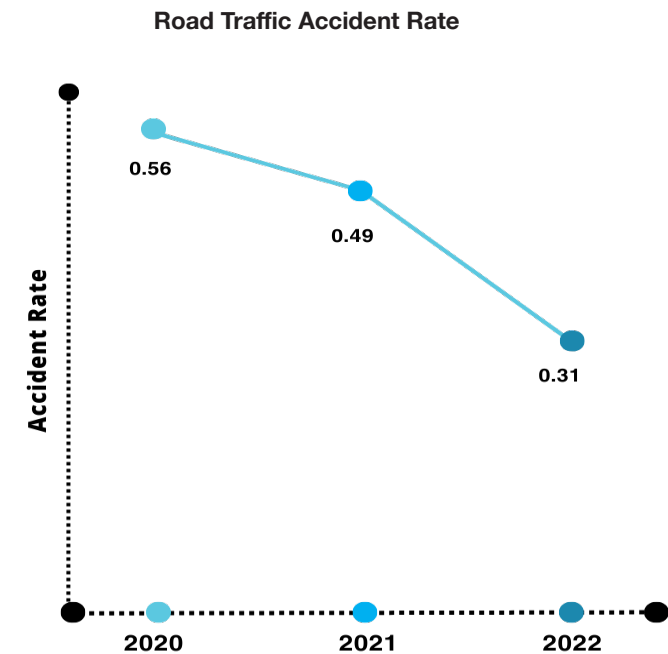
**56.25%** From 16 to 7, ADES significantly brought down recordable cases ↓



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.



At only **0.07%**, ADES set industry standard of injuries requiring medical treatment



From 0.59 to 0.31, ADES significantly brought **down** traffic accidents ↓

## 12. Empowering Our People

At ADES, we believe that our operations should leave a positive impact on society while generating profits. To accomplish this, we prioritize local community 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 an 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.



### 12.1. 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 in line 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 an 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.

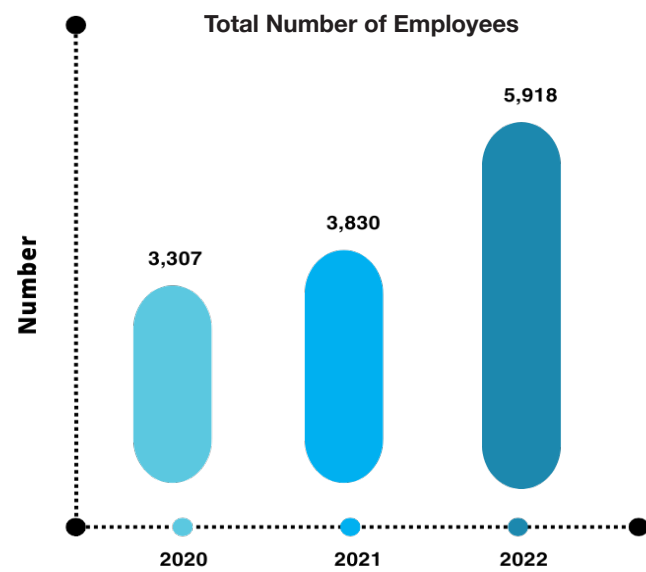
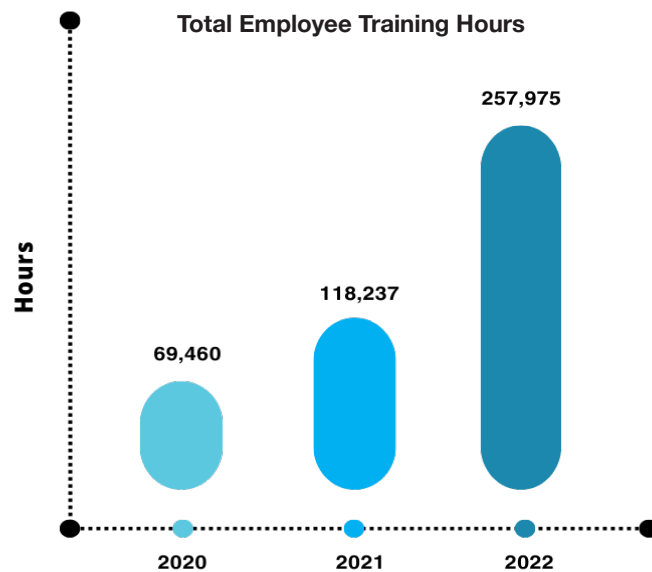
With an emphasis on individual growth, we offer diverse e-learning courses like VX Software, empowering self-directed training. These target skill enhancement, performance, and leadership readiness of one and all.



**250,000 hours**  
of employee training  
in 2022



**56% ↓** in injuries  
even with a **70% ↑**  
in employee count



GRI 2021 : 2-7, 3-3, 403-5



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.



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.

We also emphasize diversity and inclusion in our human capital development efforts. We recognize the importance of diversity and strive to attract, retain and promote people from various backgrounds . We continued this spirit even in our external outreach. In an endeavor to encourage suppliers from various backgrounds we continue to constantly evolve and increase our supplier base. While this initiative helps us mitigate supply chain risks, it also allows us to participate in empowering the eco-system.





## 12.2. Training and Education

At ADES, we rely on constant upskilling and cross skilling of our workforce in driving organizational success. Our human development program is designed to develop the skills and knowledge of our employees and promote their professional growth.

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 leverage multiple channels to assist our employees' professional development goals. Our Learning and Development program encourages employees to pursue internal training and courses and certifications for industry-specific skills, or gaining academic degrees that benefit the needs of the organization..

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.

## 12.3. 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.

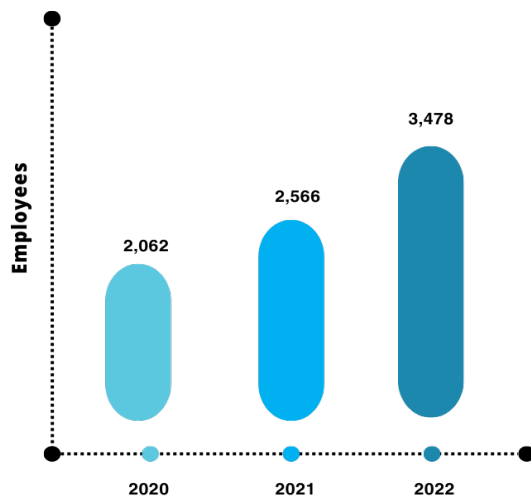
One such program is the Baheya Foundation, which we are proud to support through philanthropic activities. The foundation is dedicated to providing high-quality cancer care to underprivileged women in Egypt. Our support of Baheya Foundation aligns with our goals as a socially responsible corporation, 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.

We sponsor the Al-Nass Children's Charitable Hospital and have also supported VeryNile with the launch of their first project to empower Cairo fishermen. We also collaborate with community organizations to improve the living conditions of the people where we have operations and support programs that promote social growth and resilience. We work to provide community development initiatives that include building schools, medical clinics, and other social infrastructure that improve the lives of the people in the areas where we operate. We have also been involved in programs that promote access to clean water, better health care services, and educational opportunities.

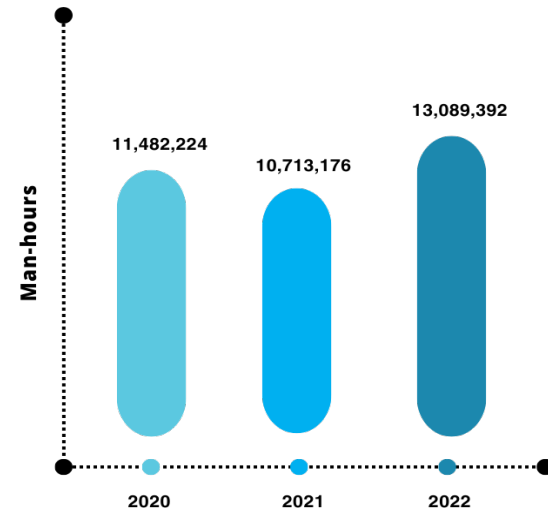


Moreover, we recognize the indispensable role of SMEs in strengthening local economies and providing jobs in the regions where we operate. By supporting small local businesses, we invest in the well-being of the communities, stabilize markets, create local content, and establish value in the supply chain. Local procurement, social investments, and initiatives also aid in upliftment of society and contributing to social growth. In our constant endeavor to encourage local employment and extend the supplier base, in addition to our summer internship program, we recruited more than 5,000 employees over the past 3 years and **he graph illustrates a significant increase from 1111 in 2020 to 1822 in 2022, representing a rise of approximately 64.02%.**

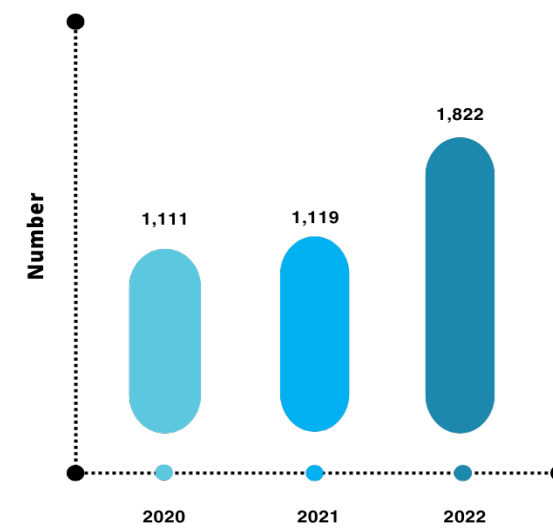
Number of Local Employees



Total Man-hours Worked

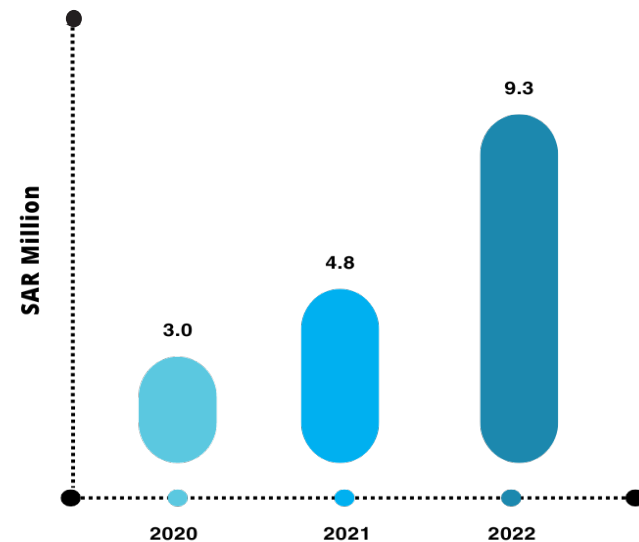


Number of Local Suppliers





Community Investment over the past 3 years



**\$ 2x growth in Community investment in 2 years**

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.

GRI 2021: 3-3, 405-1, 401-2

## 12.4. 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.

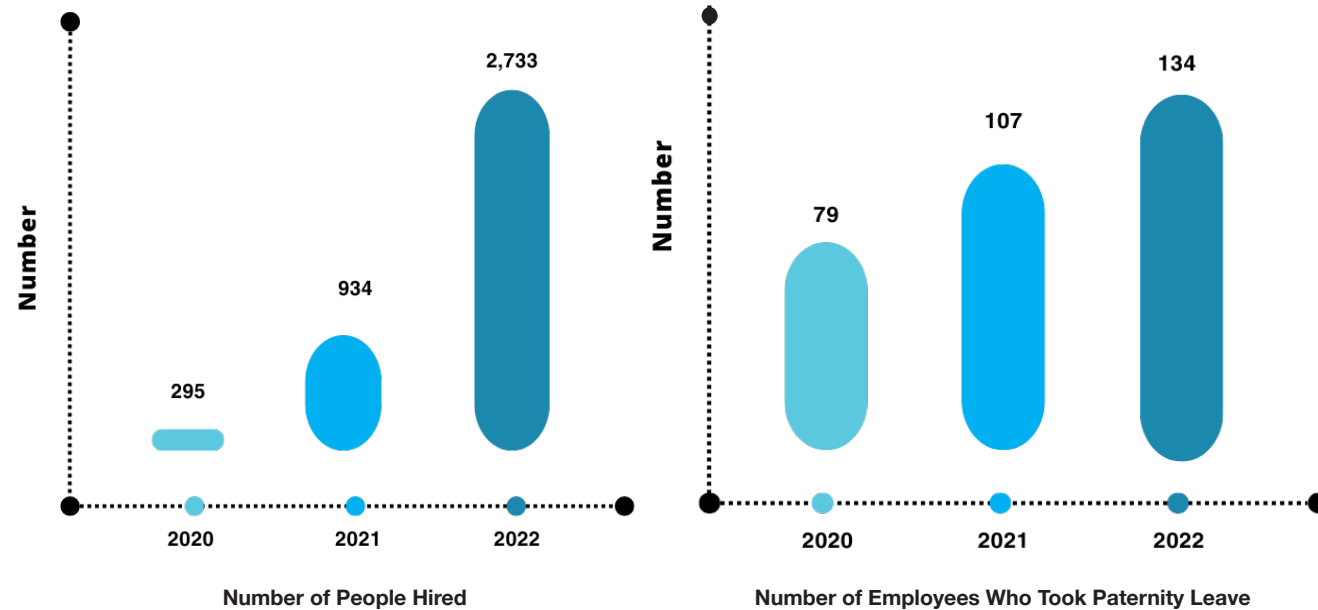




Huge growth at **2,733 (2022)**  
from 934 (2019)



**134 Employees**  
took Paternal 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.

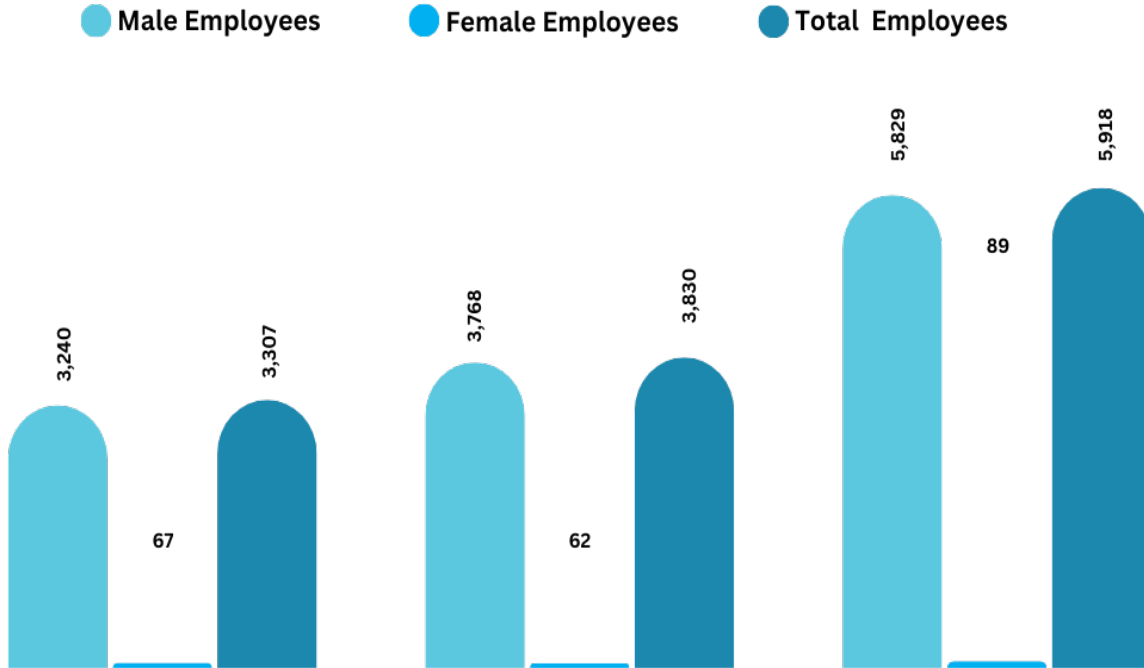
## 12.5. Equal Opportunity

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.

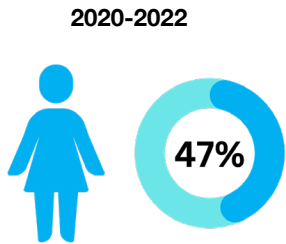
We acknowledge that we are in a male-dominated industry and have proactively created policies to bridge this gender gap by increasing the number of women in our workforce. To empower and attract women to enter traditionally male-dominated roles within our workforce, we now offer leadership and development 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.

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.



**Increase in our female workforce**



## 12.6. 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 in 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.

Appendix A - GRI Content Index

Statement of use		ADES has reported in accordance with the GRI Sustainability Reporting Standard for the period January to December 2022			
GRI 1 used		GRI 1: Foundation 2021			
Applicable GRI Sector Standard(s)		Not Applicable			
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	OMISSION			
		LOCATION	REQUIREMENTS (S)OMITTED	REASON	EXPLANATION
General Disclosure					
GRI 2: General Disclosures 2021	2-1 Organizational details	03,06	A grey 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	03			
	2-3 Reporting period, frequency and contact point	03			
	2-4 Restatements of information	06			
	2-5 External assurance	-			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	OMISSION			
		LOCATION	REQUIREMENTS (S)OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	07, 33	-	-	-
	2-7 Employees	37, 46, 46,48,49,50,51	-	-	-
	2-8 Workers who are not employees	-	-	Information unavailable/ incomplete	-
	2-9 Governance structure and composition	16,17	-	-	-
	2-10 Nomination and selection of the highest governance body	15,16	-	-	-
	2-11 Chair of the highest governance body	15,17	-	-	-
	2-12 Role of the highest governance body in overseeing the management of impacts	17	-	-	-
	2-13 Delegation of responsibility for managing impacts	-	-	Information unavailable/ incomplete	-
	2-14 Role of the highest governance body in sustainability reporting	17	-	-	-
	2-15 Conflicts of interest	-	-	Information unavailable/ incomplete	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	OMISSION	REQUIREMENTS (S)OMITTED	REASON	EXPLANATION
		LOCATION			
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	15	-	-	-
	2-17 Collective knowledge of the highest governance body	17	-	-	-
	2-18 Evaluation of the performance of the highest governance body	17	-	-	-
	2-19 Remuneration policies	-	-	Confidentiality constraints	-
	2-20 Process to determine remuneration	-	-	Confidentiality constraints	-
	2-21 Annual total compensation ratio	-	-	Confidentiality constraints	-
	2-22 Statement on sustainable development strategy	4,5	-	-	-
	2-23 Policy commitments	25	-	-	-
	2-24 Embedding policy commitments	18	-	-	-
	2-25 Processes to remediate negative impacts	20	-	-	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	OMISSION			
		LOCATION	REQUIREMENTS (S)OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	19	-	-	-
	2-27 Compliance with laws and regulations	19	-	-	-
	2-28 Membership associations	-	-	Information unavailable/ incomplete	-
	2-29 Approach to stakeholder engagement	28	-	-	-
	2-30 Collective bargaining agreements	-	-	Not applicable	-
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	-	A grey cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	3-2 List of material topics	-			
Infrastructure security					
GRI 3: Material Topics 2021	3-3 Management of material topics	-	-	-	-



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	OMISSION			
		LOCATION	REQUIREMENTS (S)OMITTED	REASON	EXPLANATION
Health and safety of people					
GRI 3: Material Topics 2021	3-3 Management of material topics	43	-	-	-
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	46,47	-	-	-
	403-2 Hazard identification, risk assessment, and incident investigation	49,50	-	-	-
	403-3 Occupational health services	-	-	-	=
	403-4 Worker participation, consultation, and communication on occupational health and safety	48,51,52	-	-	-
	403-5 Worker training on occupational health and safety	49,50	-	-	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	49,50	-	-	-
	403-8 Workers covered by an occupational health and safety management system	-	-	-	-
	403-9 Work-related injuries	49,50	-	-	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	OMISSION			
		LOCATION	REQUIREMENTS (S)OMITTED	REASON	EXPLANATION
GRI 403: Occupational Health and Safety 2018	403-10 Work-related ill health	-	-	-	-
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	49,50	-	-	-
	414-2 Negative social impacts in the supply chain and actions taken	55	-	-	-
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	32	-	-	=
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	33	-	-	-
	201-2 Financial implications and other risks and opportunities due to climate change	34	-	-	-
	201-3 Defined benefit plan obligations and other retirement plans	-	-	-	-
	201-4 Financial assistance received from government	-	-	Information unavailable/incomplete	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	OMISSION	REQUIREMENTS (S)OMITTED	REASON	EXPLANATION
		LOCATION			
GRI 3: Material Topics 2021	3-3 Management of material topics	51	-	-	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	51	-	-	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	-	-	Information unavailable/ incomplete	-
	401-3 Parental leave	51	-	-	-
<b>Emissions</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	42	-	-	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	42	-	-	-
	305-2 Energy indirect (Scope 2) GHG emissions	-	-	Not applicable	-
	305-3 Other indirect (Scope 3) GHG emissions	-	-	Not applicable	-
	305-4 GHG emissions intensity	42	-	-	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	OMISSION	REQUIREMENTS (S)OMITTED	REASON	EXPLANATION
		LOCATION			
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	11,42	-	-	-
	305-6 Emissions of ozone-depleting substances (ODS)	-	-	-	-
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	41	-	-	-
<b>Workforce and Contractor Grievances</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	51	-	-	=
<b>Climate Change Mitigation &amp; Adaptation</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	40	-	-	-
<b>Waste Management</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	44	-	-	-
	306-1 Waste generation and significant waste related impacts	44	-	-	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	OMISSION	REQUIREMENTS (S)OMITTED	REASON	EXPLANATION
		LOCATION			
GRI 306: Waste 2020	306-2 Management of significant waste related impacts	44	-	-	-
	306-3 Waste generated	44	-	-	-
	306-4 Waste diverted from disposal	44	-	-	-
	306-5 Waste directed to disposal	-	-	Information unavailable/ incomplete	-
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	-	-	Information unavailable/ incomplete	-
	303-2 Management of water discharge related impacts	44	-	-	-
	303-3 Water Withdrawal	-	-	Information unavailable/ incomplete	-
	303-4 Water Discharge	44	-		-
	303-5 Water Consumption	44	-	-	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	OMISSION			
		LOCATION	REQUIREMENTS (S)OMITTED	REASON	EXPLANATION
Security of Infrastructure/Assets					
GRI 3: Material Topics 2021	3-3 Management of material topics	19, 20, 21	-	-	-
Safeguarding Health During the Modern Health Crisis					
GRI 3: Material Topics 2021	3-3 Management of material topics	48	-	-	=
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	48	-	-	-
	403-2 Hazard identification, risk assessment, and incident investigation	49	-	-	-
	403-3 Occupational health services	48	-	-	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	-	-	Information unavailable/ incomplete	-
	403-5 Worker training on occupational health and safety	54	-	-	-



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	OMISSION	REQUIREMENTS (S)OMITTED	REASON	EXPLANATION
		LOCATION			
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	-	-	Information unavailable/incomplete	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-	-	Information unavailable/incomplete	-
	403-8 Workers covered by an occupational health and safety management system	49	-	-	-
	403-9 Work-related injuries	49,50	-	-	-
	403-10 Work-related ill health	49,50	-	-	-
Cybersecurity and data protection					
GRI 3: Material Topics 2021	3-3 Management of material topics	20	-	-	-
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	20,21	-	-	-
Business Ethics, Integrity, Transparency & Anti-Corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	20	-	-	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	OMISSION	REQUIREMENTS (S)OMITTED	REASON	EXPLANATION
		LOCATION			
GRI 202: Market Presence 2016	202-2 Proportion of seniormanagement hired from the localcommunity	-	-	Information unavailable/incomplete	-
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	20	-	-	-
	205-2 Communication and training about anti-corruption policies and procedures	-	-	Information unavailable/incomplete	-
GRI 206: Anti-competitive Behavior 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	41	-	-	-
Infrastructure and Overall services					
GRI 3: Material Topics 2021	3-3 Management of material topics	9	-	-	-
Compliance with International, Sustainability Regulations & Frameworks					
GRI 3: Material Topics 2021	3-3 Management of material topics	22	-	-	-
GRI 415:Public Policy	415-1 Political contributions	22	-	-	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	OMISSION			
		LOCATION	REQUIREMENTS (S)OMITTED	REASON	EXPLANATION
Operational efficiency					
GRI 3: Material Topics 2021	3-3 Management of material topics	11,12	-	-	-
Emergency Preparedness					
GRI 3: Material Topics 2021	3-3 Management of material topics	48	-	-	=
Economic Growth					
GRI 3: Material Topics 2021	3-3 Management of material topics	32	-	-	-
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	33	-	-	-
	201-2 Financial implications and other risks and opportunities due to climate change	34	-	-	-
	201-3 Defined benefit plan obligations and other retirement plans	-	-	Information unavailable/ incomplete	-
	201-4 Financial assistance received from government	34	-	-	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	OMISSION			
		LOCATION	REQUIREMENTS (S)OMITTED	REASON	EXPLANATION
Customer Privacy and Safeguarding Customer Information					
GRI 3: Material Topics 2021	3-3 Management of material topics	20	-	-	-
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	20,21	-	-	-
Sustainable Procurement					
GRI 3: Material Topics 2021	3-3 Management of material topics	53	-	-	=
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	53,55	-	-	-
Compliance with Federal and Local Sustainability Regulations & Frameworks					
GRI 3: Material Topics 2021	3-3 Management of material topics	54	-	-	-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	36,37	-	-	-
	308-2 Negative environmental impacts in the supply chain and actions taken	-	-	Information unavailable/incomplete	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	OMISSION			
		LOCATION	REQUIREMENTS (S)OMITTED	REASON	EXPLANATION
Training, Education, and Growth of Employees					
GRI 3: Material Topics 2021	3-3 Management of material topics	54	-	-	-
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	52	-	-	-
	404-2 Programs for upgrading employee skills and transition assistance programs	52	-	-	-
	404-3 Percentage of employees receiving regular performance and career development reviews	52	-	-	-
Economic Contribution to Sustainability Matters					
GRI 3: Material Topics 2021	3-3 Management of material topics	31	-	-	-
GRI 203: Indirect Economic Impacts 2016	203-1 Significant indirect economic impacts	-	-	Information unavailable/incomplete	-
	203-2 Significant indirect economic impacts	31	-	-	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	OMISSION			
		LOCATION	REQUIREMENTS (S)OMITTED	REASON	EXPLANATION
Sustainability (Economic, Environmental, and Social) Assessment of the Supply Chain					
GRI 3: Material Topics 2021	3-3 Management of material topics	37	-	-	-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	36,37	-	-	-
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	55	-	-	-
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	55	-	-	-
	413-2 Operations with significant actual and potential negative impacts on local communities	55	-	-	-
Non-discrimination and Equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	52	-	-	-
GRI 406: Non - discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	52,53	-	-	-



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	OMISSION			
		LOCATION	REQUIREMENTS (S)OMITTED	REASON	EXPLANATION
Corporate Volunteering					
GRI 3: Material Topics 2021	3-3 Management of material topics	24,25	-	-	-
Equal Opportunity and Diversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	56	-	-	-
GRI 405: Diversity and Equall Opportunity 2016	405-1 Diversity of governance bodies and employees	56,57,58	-	-	-
	405-2 Ratio of basic salary and remuneration of women to men	-	-	Confidentiality constraints	-
Biodiversity Conservation					
GRI 3: Material Topics 2021	3-3 Management of material topics	44	-	-	-
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areasof high biodiversity value outside protected areas	45	-	-	-

