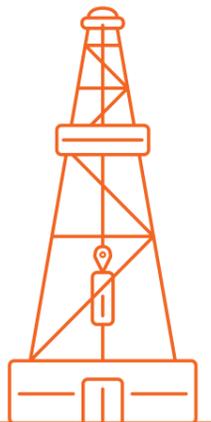


# SUSTAINABILITY

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Arabian Drilling is committed to integrating sustainability into its core operational strategy. The Company prioritizes responsible growth and long-term value creation through innovative and ethical practices, solidifying its commitment to a sustainable future.



# SUSTAINABILITY JOURNEY

## Accelerating Our Sustainability Journey and Impact

**At Arabian Drilling, sustainability is embedded in our operations, guiding how we conduct business and deliver long-term value. We are committed to the highest standards of safety, accountability, and technological efficiency, ensuring that our practices align with the evolving needs of our customers, investors, employees, and suppliers.**

We take pride in transparently sharing our sustainability journey, providing a clear and accurate account of our progress. Open dialogue and collaboration with stakeholders are essential to fostering trust, strengthening engagement, and

driving meaningful impact across our value chain.

Throughout 2024, we strengthened our sustainability efforts with tangible initiatives that drive long-term impact, including expanding our use

of renewable energy and deploying several sustainable projects. In line with our commitment to reducing our environmental footprint, we published our Sustainability Policy and developed our Decarbonization Roadmap 2050, setting a clear path toward a more sustainable future.



### ESG Ratings

ESG Invest Rating:

**60**  
(2023: 49)

Achillies Sustainability Score:

**58**

Carbon Disclosure Project (CDP):

**C**  
(2023: D-)



# OUR SUSTAINABILITY POLICY

**At Arabian Drilling, sustainability is integral to our business strategy, guiding our commitment to environmentally responsible operations and services. We recognize the evolving climate landscape, regulatory shifts, and the vital role drilling activities play in reducing the carbon footprint of the oil and gas industry. To address these challenges, we continuously assess climate risks and implement proactive mitigation measures to ensure long-term environmental sustainability.**

Our leadership is dedicated to driving meaningful progress by allocating financial, infrastructural, and human resources to enhance environmental performance. By aligning our sustainability initiatives with the Paris Agreement and working towards a low-carbon economy, we have set a clear pathway for a sustainable future.

### Sustainability Principles

Arabian Drilling's Sustainability Policy is built on fundamental environmental, social, and economic principles. We prioritize energy conservation, pollution prevention, responsible resource consumption, and the protection of natural ecosystems. Our approach extends to our employees, contractors, suppliers, and all stakeholders operating on our behalf, ensuring that sustainability remains a shared responsibility across our value chain.

### Energy Conservation and Emission Reduction

We are committed to integrating the latest energy-efficient technologies and continuously reducing greenhouse gas emissions across our operations. By implementing next-generation technologies and alternative fuels for power generation and rig mobilization, we actively minimize our environmental impact. Through operational controls, efficiency measures, and the gradual adoption of renewable and clean energy sources, we strive to optimize energy use and support the industry's transition toward sustainability.

### Water Management

Water conservation is a key priority in our environmental strategy. Arabian Drilling implements efficient site management practices and industry-leading conservation techniques to minimize water usage while maintaining operational excellence. We have developed a water management framework to monitor and optimize the water consumption from all our operations, including all the facilities we own across the Kingdom.

### Waste Management

We are dedicated to reducing waste generation, maximizing recycling and reuse efforts, and ensuring the responsible disposal of solid and liquid waste. By adhering to strict environmental regulations, we actively prevent pollution and mitigate the impact of our operations on surrounding ecosystems. We have developed a robust waste management framework that will help us identify and reduce the waste we generate from our operations by clearly monitoring each individual rig and setting clear targets to help protect the environment.

### Social Responsibility

Our sustainability commitment extends beyond our operations to the communities in which we operate. We engage employees in environmental awareness programs and support community development through job creation and local contract opportunities. By prioritizing social well-being, we contribute to the long-term prosperity of society while fostering a culture of environmental stewardship.

## OUR SUSTAINABILITY POLICY (continued)

# Strengthening Sustainability Governance: **Establishing Our Sustainability Steering Committee**

Arabian Drilling remains committed to leading sustainable drilling services by integrating the highest safety, technological, and operational standards while minimizing environmental impact.

To reinforce this commitment, we established a Sustainability Steering Committee (SSC) to support Executive Management in staying informed on global sustainability policies and best practices. The Committee also monitors national ESG regulations, including those set by the KSA, Aramco, Saudi Tadawul, and other relevant authorities, ensuring compliance and alignment with evolving industry standards.

The SSC operates under a structured charter that defines the roles and responsibilities of its members while setting a focused agenda for sustainability initiatives. Through regular meetings, workshops, and focus groups, the Committee captures key insights that shape Arabian Drilling's sustainability roadmap and policies. This structured approach ensures that our business remains at the forefront of responsible and sustainable operations while driving long-term economic performance.

# OUR SUSTAINABILITY FRAMEWORK

Arabian Drilling's sustainability framework is built on 3 core focus areas – People and Society, Climate Actions, and Corporate Governance and Operations Excellence – ensuring a balanced approach to responsible business practices.

These pillars support a structured set of 15 essential elements that guide our commitment to labor best practices, environmental stewardship, and ethical governance. By integrating sustainability into every aspect of our operations, we uphold the highest standards in employee well-being, emissions reduction, water and waste management, risk mitigation, and corporate responsibility. Through continuous innovation, accountability, and stakeholder engagement, we are making meaningful progress toward a more sustainable and resilient future.



## Human Capital Development

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

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

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

## Occupational Health and Safety

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

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

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

# 1 People and Society

Arabian Drilling recognizes that engaging with and supporting our employees, stakeholders, and the communities in which we operate is essential to building a successful and sustainable business.

Our People and Society pillar encompasses these critical aspects, including occupational health and safety, human capital development, diversity, inclusion, and equal opportunities, as well as social impact, community development, and human rights.

## Diversity, Inclusion, and Equal Opportunities

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

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

**A Thriving Economy:** Diverse workplace perspectives boost economic innovation.

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

## Human Rights

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

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

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

## Social Impact and Community Development

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

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

UN SDG Alignment:   **Prioritization:** Important

### Decarbonization and Renewable Energy Transition

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

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

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

### Energy Efficiency and Conservation Management

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

**A Thriving Economy:** Optimizing energy use bolsters market competitiveness.

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

### Waste Management and Circular Economy Practices

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

**A Thriving Economy:** Strategic waste management supports economic efficiency.

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

### Spill Prevention and Response

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

**A Thriving Economy:** Spill prevention safeguards economic resources.

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

### Water and Wastewater Management

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

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

**A Thriving Economy:** Water efficiency contributes to economic sustainability.

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

### Preservation of Natural and Cultural Sites

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

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

UN SDG Alignment:   **Prioritization:** Important

### Business Ethics and Compliance

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

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

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

## 3 Corporate Governance and Operational Excellence

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

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

### Supply Chain Management

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

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

UN SDG Alignment:  **Prioritization:** Important

### Risk Management

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

**An Ambitious Nation:** Strategic risk management ensures preparedness.

**A Thriving Economy:** Risk mitigation secures economic assets.

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

### Artificial Intelligence (AI), Innovation, and Digital Transformation

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

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

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

# ENVIRONMENTAL MANAGEMENT APPROACH

**Arabian Drilling's Environmental Management Plan (EMP) provides a structured framework for achieving our environmental performance goals and upholding our commitment to responsible operations. This plan addresses key areas of environmental impact, including water and waste management, oil spill control, hazardous materials handling, emissions reduction, and noise control. Through a strategic and disciplined approach, we ensure that environmental stewardship remains central to our operations.**

Our EMP is built on 5 key pillars: systematic evaluation of activities with potential environmental impact, setting SMART targets to drive measurable progress, implementing operational controls to enhance efficiency and minimize waste, continuous monitoring and data-driven performance measurement, and regular audits to ensure ongoing improvements. By integrating these principles into our business, we drive sustainable innovation and strengthen our environmental performance.

## Our Environmental Commitment

### Energy Consumption

Reducing energy consumption is a critical part of our sustainability strategy as we expand our operations. By optimizing fuel efficiency, integrating renewable energy solutions, and enhancing operational controls, we are actively working to minimize our environmental impact while maintaining high-performance standards.

### GHG Emissions

As our operations grow and our drilling fleet expands, reducing carbon emissions and improving energy efficiency remain key priorities. Balancing operational growth with environmental responsibility requires a strategic approach, integrating innovative solutions and sustainable technologies to minimize our carbon footprint while maintaining industry-leading performance.

### Water Management

Arabian Drilling remains committed to responsible water stewardship through proactive management, engineering controls, and HSE policies to optimize consumption and minimize effluent discharge. To further strengthen our sustainability efforts, we have recently introduced a Water Management Framework that provides a structured approach to conservation, efficiency, and compliance with Saudi Vision 2030 regulations and Water Law 2020.

### Waste Management

Arabian Drilling is committed to responsible waste management through a strategic approach emphasizing waste reduction, recycling, and compliance with environmental standards. As part of our continuous improvement, we have formalized a Waste Management Framework that aligns with Saudi Waste Management Law (2021) and MARPOL regulations. This framework ensures systematic quantification, segregation, and control of waste disposal.



# PEOPLE AND SOCIETY

## Our People

### Developing and Engaging our Workforce

At Arabian Drilling, our people are at the heart of our success. We are committed to developing a high-performing, engaged, and future-ready workforce through strategic initiatives that enhance skills, foster innovation, and promote career growth. By integrating human capital development into our broader business strategy, we ensure that every employee is equipped to contribute to our long-term success while advancing the Kingdom's economic and social goals.

Our focus on talent acquisition, training, digital transformation, and Saudization reflects our dedication to building a dynamic and diverse workforce that thrives in a rapidly evolving industry. Through continuous investment in our people, we are strengthening our position as an employer of choice and reinforcing our role as a leader in workforce development.

### Employee Headcount

	2021	2022	2023	2024
Total Headcount	3,913	4,547	5,279	<b>5,184</b>
Male Employees	3,873	4,478	5,201	<b>5,098</b>
Female Employees	50	69	78	<b>86</b>

### New Hires and Turnover

	2021	2022	2023	2024
Employees Hired	539	1,167	1,565	<b>775</b>
Employees Who Left the Organization *	476	556	834	<b>870</b>
Employee Turnover (%)	12.2%	12.2%	15.8%	<b>16.78%</b>

\*Includes termination, resignation, retirement, death, and redundancy.

### Saudization

	2021	2022	2023	2024
Total Employees	77.4%	74.4%	66.3%	<b>68%</b>



### Our Human Capital Strategic Framework

We have developed a Human Capital Operating Model and a Core Competency framework aligned with our values, vision, and mission. This approach strengthens our workforce capabilities, supports our long-term objectives, and enhances

the overall employee experience through an optimized Human Capital Management system.

Our HR strategic framework focuses on talent acquisition, employee development, rewards, and organizational effectiveness, driven by governance, leadership,

engagement, learning, technology, and data-driven decision-making. Through transformation programs, we continue to enhance policies, employee experience, and digital HR services, fostering a culture of excellence, innovation, and collaboration.



#### HR Mission

To empower Arabian Drilling's workforce by fostering a culture of excellence, innovation, and collaboration.



#### HR Vision

To create a collaborative and efficient work environment where HR initiatives drive success and support employee growth.



#### HR Objectives

- Manage the HR Function
- Recruit Employees
- Develop Employees
- Reward Employees
- Shape the Employee Experience
- Drive Organizational Effectiveness



#### HR Strategic Enablers

- Strong Governance and Compliance
- Leadership Commitment
- Employee Engagement
- Continuous Learning and Development
- Effective Communication Channels
- HR Technology and Automation
- Data-Driven Decision Making



#### Transformation Programs

- Policy and Procedure Transformation
- Employee Experience Integration
- Advanced Digital HR Services



## PEOPLE AND SOCIETY (continued)

### Our People (continued)

#### Transforming Human Resources for Strategic Impact

We have realigned our HR strategy to integrate seamlessly with Arabian Drilling's business objectives, positioning HR as a strategic business partner to drive efficiency and enhance workforce capabilities. With a strong focus on upskilling and retaining local talent, we are committed to building a resilient, high-performing workforce that supports long-term growth and operational excellence.

To achieve this, we launched the Arabian Drilling HR Transformation initiative, a 3-year roadmap identifying

141 HR business capabilities, 145 key challenges, and 170 strategic objectives to guide workforce development. A major milestone was the establishment of a centralized HR Services Center, improving process efficiency, data accuracy, and employee access to HR services.

We also adopted advanced digital solutions and redesigned our HR portal, streamlining processes, enhancing communication, and improving accessibility. A major achievement in our diversity efforts was hiring our first-ever female rig manager, reinforcing our commitment to inclusion, operational excellence, and sustainability.

#### Arabian Drilling Learning Academy

The Arabian Drilling Learning Academy (ADLA) experienced a milestone year, delivering a comprehensive training program that reinforced technical expertise, safety standards, and professional development. With over 1,100 courses conducted and nearly 24,000 attendees, ADLA provided more than 117,000 training man-hours across 42 specialized programs in Technical, HSE, and Soft Skills training. This extensive curriculum reflects our commitment to continuous learning and the development of a highly skilled workforce that meets the evolving demands of the industry.

ADLA's reputation for excellence is reinforced by prestigious accreditations from leading international bodies, including ISO (9001 and 29993), the International Well Control Forum (IWCF), the International Association of Drilling Contractors (IADC) WellSharp, IADC Drilling Industry Training Programs, and the Health and Safety Institute. These recognitions affirm the academy's dedication to delivering world-class training that meets the highest industry standards.

Innovation remains at the core of our training approach, with cutting-edge technology playing a pivotal role in skill development. We have introduced virtual reality-based fire safety training in conjunction with a firefighting simulator, providing immersive, hands-on learning experiences. Our Offshore Crane Operations simulator and Drilling and Well Control simulator further enhance technical competency, offering realistic downhole operations training. Beyond internal training, we are actively contributing to safety awareness in the broader community, including partnerships with local schools where children engage in firefighting simulation exercises.

#### Driving National Talent Development

We are strengthening our commitment to Saudization by expanding opportunities for local talent and increasing workforce localization in key positions. Through strategic partnerships and targeted initiatives, we are actively developing the next generation of Saudi professionals to support the Kingdom's energy sector. Our collaboration with the Saudi Arabian Drilling Academy (SADA) ensures young Saudis receive world-class training, while our participation in local recruitment drives and university campaigns helps attract top talent. Additionally, our involvement in government employment programs such as Tawteen, Mowaamah, and Tamheer reinforces our role in shaping a skilled and competitive Saudi workforce.

Our dedication to national talent development was recognized with the Best in Saudization (Services) Award for our contribution to Aramco's IKTVA program. By maximizing local resources, we are driving economic growth and enhancing Saudi Arabia's global competitiveness, fully aligning with Saudi Vision 2030.

Total Trainees:  
**23,465**

Total No. of Training Courses Completed:  
**1,133**

Total No. of Training Courses Offered:  
**42**

Total Training Hours:  
**117,052**

Established:

**1993**



Arabian Drilling Attendees:

**23,465**



Certified:

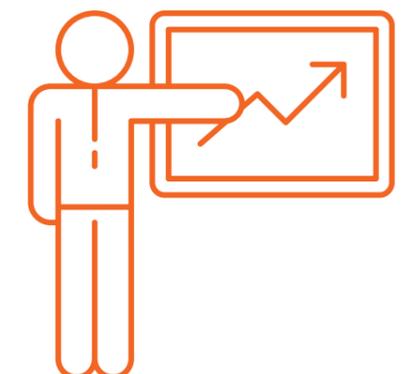
**ISO 9001 and 29993, IADC, and DIT**



Offshore Crane Simulator



Drilling and Well Control Simulator



## PEOPLE AND SOCIETY (continued)

### Our CSR and Community Development

#### Elevating our Communities and Nation

As Saudi Arabia's leading drilling company, we recognize our responsibility to contribute meaningfully to the communities where we operate. Our approach to corporate social responsibility is built on 2 key pillars: empowering Saudi youth and supporting initiatives that drive lasting social impact. Through education, environmental stewardship, and community engagement, we strive to create opportunities that foster growth, awareness, and sustainable development.

In 2024, we reinforced this commitment by actively participating in initiatives that align with our values and the Kingdom's broader vision. Our environmental efforts included multiple beach clean-up campaigns under the Saudi Green Initiative, including projects in Khafji and with KJO, reflecting our dedication to preserving natural ecosystems. We also played a pivotal role in promoting safety and environmental awareness, from serving as a Diamond Sponsor at the Aramco Southern Area Oil and Gas Drilling Department Environmental Forum to supporting the KJO Safety and Traffic Campaign and Aramco Abqaiq School's HSE Awareness program.

#### Investing in the Future of Saudi Talent

We are dedicated to empowering the next generation by providing industry-leading training and development opportunities. Our initiatives bridge the gap between theoretical learning and hands-on experience, ensuring young professionals are fully prepared for technical and operational roles.

Through the Saudi Arabian Drilling Academy (SADA), we offer a comprehensive training experience, combining classroom education and practical rig site learning. Additionally, our partnership with the Saudi Petroleum Services Polytechnic (SPSP) provides specialized training, equipping participants with the skills needed to advance in the drilling industry.

We continue to expand our training programs, delivering thousands of hours of instruction across various courses. By investing in local talent, we strengthen both our business and the Kingdom's vision of a skilled and capable workforce, driving long-term economic prosperity and industry excellence.

We also actively engage in career development initiatives, such as participating in the Imam Abdulrahman University Job Fair, providing students with insights into the energy sector and career opportunities at Arabian Drilling. Our HSE team led awareness campaigns at Haradh School, emphasizing health, safety, and environmental responsibility. Additionally, we supported local sports and community initiatives, including a 100,000 contribution to the Al Sharqiya International Race, promoting active lifestyles and regional engagement.

Through these initiatives, we continue to drive positive change, reinforcing our role as a responsible corporate citizen and creating lasting value for our communities.

