



# Achieving more with less

ADNOC Drilling  
Sustainability Report 2022



أدنوك للحفر  
ADNOC Drilling

## About this Report

**ADNOC Drilling is the largest drilling and well completions company in the Middle East by fleet size, owning and operating one of the largest multi-discipline drilling fleets in the world. We responsibly operate on land, at sea, and on ADNOC's artificial islands off Abu Dhabi's coast, delivering start-to-finish well drilling and construction services across both conventional and unconventional reservoirs.**

### Reporting Principles

This report has been prepared in-reference with the Global Reporting Initiative (GRI) Standards, and Abu Dhabi Securities Exchange (ADX) Environmental Social and Governance (ESG) Guidelines.

The report is aligned with ADNOC's Sustainability Strategic Pillars 2030 and United Nations – Sustainable Development Goals (SDGs).

The following principles have been used to identify the contents of the document: stakeholder inclusiveness, sustainability context, materiality and completeness.



### Year

The report covers environmental, social and economic, and governance performance for the year 2022.

### Boundary

The report is published annually and is approved by the Sustainability Steering Committee, Executive Management and Board of Directors.

It is distributed at the Annual General Meeting (AGM) convened to share the information about the Corporate Reports and developments.

For sustainability performance data, the reporting perimeter includes all activities for which ADNOC Drilling has responsibility for setting standards and ensuring their implementation.

### Terminology

The term Company refers to the ADNOC Drilling and the term ADNOC refers ADNOC HQ in the report.

### Assurance

We have conducted an internal assurance exercise on key sustainability performance indicators to ensure reliability of the information provided for GHG emissions, occupational safety, energy intensity, training and development, employees data, ICV score, and anti-bribery and anti-corruption compliance.

### Contact Point

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# Introduction



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## Who We Are

**Our Vision**

We enable ADNOC to unlock the UAE's oil and gas resources for the benefit of our people, communities, partners, customers and our nation.



In ADNOC Drilling land operations, we spare no efforts to deploy the technology towards enhancing decarbonization practices. Recently, we have been studying the use of eco-cell battery systems to replace and minimize the usage of conventional diesel engines, which is a step towards achieving our sustainable development objective.

Sultan Saeed Al Mansoori  
SVP Operations – Land

**Our Mission**

We drive operational efficiencies by leveraging, innovative technology, smart drilling techniques and engineering solutions to consistently capture efficiencies as we drill more wells, creating more value as we grow.

## We are 'One Company' organized into four operational divisions:

**Onshore Drilling**

Our Onshore fleet consists of 74 land rigs, of varying specifications, including several high-capacity workover rigs. Our rigs drill a wide range of oil and gas wells and handle challenging drilling programs effectively and efficiently.

**Offshore Jack-up Drilling**

Our offshore fleet of 31 jack-up rigs and one barge are outfitted with high-specification equipment and are capable of drilling wells to depths ranging from 18,000 to 30,000 feet and in maximum water depths ranging from 110 to 350 feet.

**Offshore Island Drilling**

We own and operate a fleet of 10 island rigs, seven of which are less than five years old. To enable drilling on artificial islands, we acquired state-of-the-art island rigs with integrated low-pressure hydraulic walking systems that allow the rigs to move between well sites without needing to dismantle them.

**Oilfield Services**

- Drilling Services
- Wireline Services
- Integrated Drilling Services
- Drilling Fluids
- Pressure Pumping

Our Oilfield Services (OFS) division offers comprehensive market-leading drilling and well construction services that span the entire drilling value chain. OFS has facilitated record-breaking performance and efficiency levels that contribute to creating savings in well time and cost.

**74**

ADNOC Drilling rigs as of 31 December 2022

Wells drilled

**528**

**31**

Wells drilled

Wells drilled

**65**

**10**

Wells drilled

**27**

IDS rigs

**40**

**Our Values****Collaborative**

We work in close collaboration with our partners and customers, leveraging collective strengths to deliver mutually beneficial results.

**Progressive**

We harness the UAE's spirit of innovation to ensure that our business remains at the forefront of the global energy industry.

**Responsible**

We are committed to identifying ways that can make a difference to our community while maintaining an unwavering commitment to health, safety and the environment in which we operate.

**Efficient**

We are a performance-driven company, dedicated to maximizing the value of energy resources for the benefit of our people, our communities, our partners, our customers and our nation.

**Respectful**

We encourage a culture of inclusivity and mutual respect, and always operate to the highest professional and ethical standards.

## Who We Are continued

### Key Drivers

ADNOC Drilling benefits from a unique and long-standing relationship with ADNOC, whose overall ambition is to create value for the UAE and energy for the world. At ADNOC Drilling, we ensure close alignment with the **strategic pillars: People, Profitability and Sustainability**.

**Profitability and Sustainability.** These pillars have defined objectives to enhance sustainable development.

Leveraging these pillars, ADNOC Drilling has gradually transformed its ambition and targets, changing its profile from a traditional oil and gas service contractor to its new role as a regional energy solutions provider. Our key drivers are:



**Business Sustainability**



**Creating long-term stakeholder value**



**Sustainability Commitments to ADNOC and the UAE**



**Improvement of Operational Eco-efficiencies**



**Regulatory Requirements**

### Our Strategic Ambition

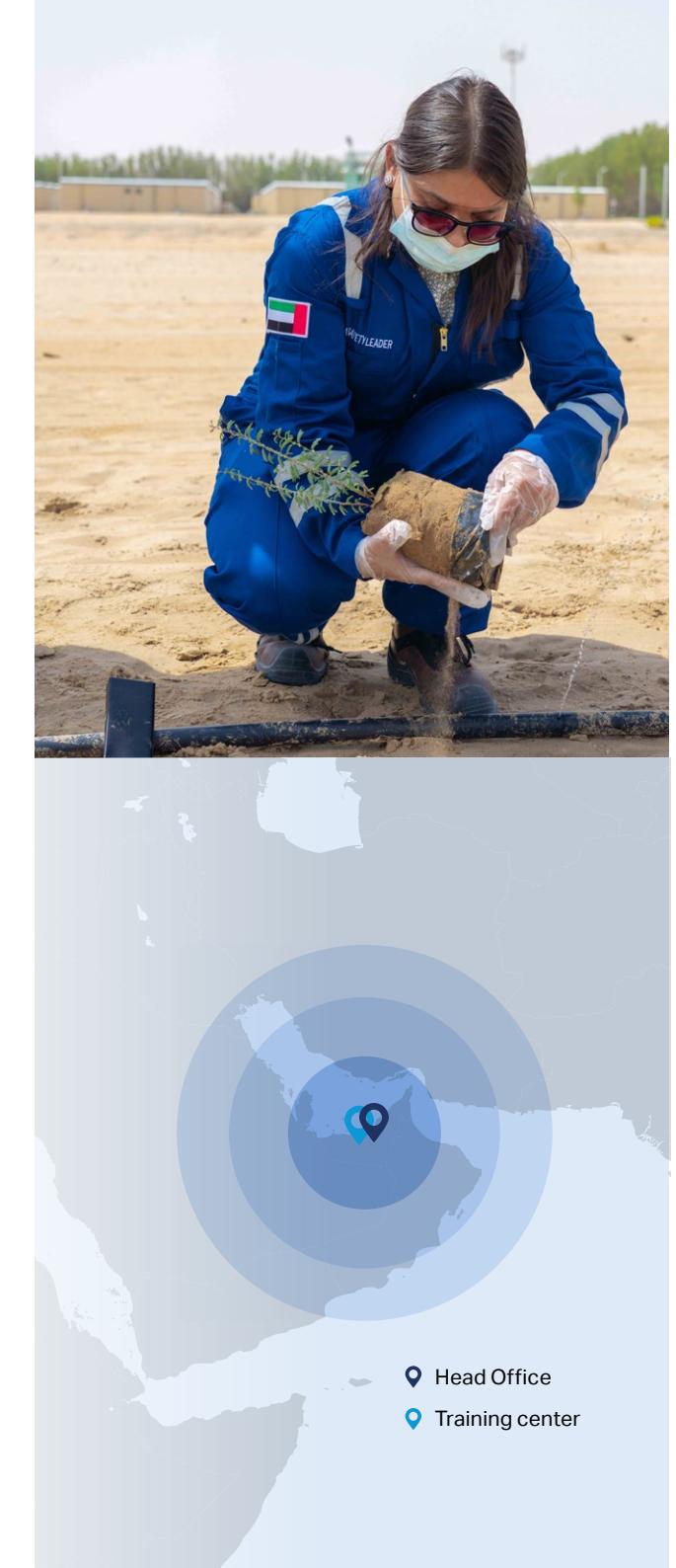
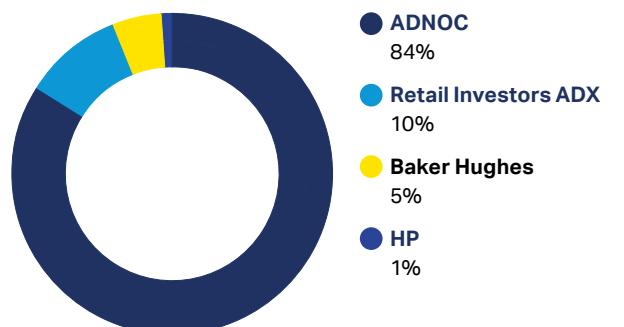
Our Strategy enables us to achieve our sustainability goals by setting detailed action plans with specific KPIs, a strong governance structure and a roadmap that presents initiatives and focus areas planned for the coming years.

As a pivotal link in the upstream value chain, we focus on reliably and efficiently delivering on increasing drilling needs, regionally and internationally, while minimizing our environmental footprint and meeting our social responsibilities.

ADNOC Drilling believes that environmental, social and governance performance is intrinsically linked to a more sustainable and profitable operating model for our stakeholders. In 2022, we revamped our ESG Strategy to become a holistic **ADNOC Drilling Sustainability Strategy 2021-2030**, which is underpinned by our commitment to long-term sustainable growth by:

- Minimizing our environmental impact across all operations
- Delivering 100% HSE and promoting a diverse and people-centric culture
- Adopting the highest standards of governance, ethics and transparency

### Our Shareholders



## CEO's Message

# All of us at ADNOC Drilling are proud of our 50-year record of enabling the UAE's remarkable sustainable growth.

As we responsibly unlock energy resources for the benefit of the Nation, we contribute to in-country value, enable the local manufacturing sector, creating a long-term value of our stakeholders and foster a knowledge-based workforce. ADNOC Drilling reliably supports ADNOC as it takes bold, transformative steps to provide maximum energy with minimum emissions.

I am pleased to present our second Sustainability Report. In these pages, we outline the company's vision and commitments as we enable ADNOC to produce affordable and leading low-carbon intensity energy. I invite stakeholders to explore this report, which details how we deliver value and embrace change in order to increase efficiency, continuously reduce our environmental footprint, nurture our workforce and safeguard the communities in which we operate.

To ensure that ADNOC Drilling's sustainability achievements are compatible with national standards, we measure our performance against Abu Dhabi Securities Exchange ESG Guidelines, UN SDGs and Global Reporting Standards (GRI).

We have developed a decarbonization plan that directly contributes to ADNOC's commitment to reduce intensity of our GHG emissions by 25% by 2030. Automation and innovation enhance both safety and efficiency across our operations, and Integrated Drilling Services (IDS), ADNOC Drilling relentlessly drives efficiency to reduce emissions.

ADNOC Drilling's 2018 transformation to an IDS company allows us to improve efficiency from the beginning of the drilling process through well delivery and completion as we provide a total value chain solution to our customers. Faster well delivery times mean fewer emissions – and safer operations.

Since ADNOC Drilling became the region's only IDS provider of its kind, we have increased efficiency by almost 50%. Nearly half of our 115 owned and operated rigs are now outfitted for IDS. I am proud of this accomplishment, and of the 1,000 committed women and men in our Oilfield Services business segment who made it possible. When we launched IDS only four short years ago, the oilfield services workforce numbered eight people. We have built in subsequent short years what other companies would have taken a decade to achieve.

Offshore as well as onshore, our achievements are cemented by investment in a locally trained, highly-skilled workforce. To meet ADNOC's accelerated production capacity targets of five million barrels per day by 2027 and gas self-sufficiency for the UAE, we welcomed 1,385 new employees, an almost 73% increase in new hires compared to 2021.

As we train and advance our employees, our absolute priority is their safety and as such are guided by stringent HSE standards. Our focus remains on achieving 100% HSE in all we do. Regrettably, we suffered some fatal HSE incidents during the year. In response to such events, we have strengthened our procedures and processes to prevent similar occurrences in the future.

Looking ahead, 2023 will be filled with innovative initiatives as we continue to responsibly grow. We are committed to expanding our local manufacturing portfolio in order to create jobs and diversify the economy. Developing drilling fluids and manufacturing drill bits here at home in the UAE will reduce our environmental footprint and further boost the local economy.



**Abdulrahman Abdulla Al Seiari**  
CEO

“

We have developed a decarbonization plan that directly contributes to ADNOC's commitment to reduce GHG emissions intensity by 25% by 2030.

## ADNOC Drilling at a Glance

## Financial and Sustainability Highlights\*

Number of wells drilled in 2022

**620**  
(11% increase)

Number of rigs owned

**115**  
(14% increase)

Economic value generated (revenue)

**\$2,673m**  
(15% increase)

Total asset value

**\$5.493m**

Number of nationalities

**79**

Target zero days

**338**

(days free of serious injuries, fatalities and reportable spills)

Emiratization rate

**26.2%**

Local procurement (products and services purchased locally)

**60%**

Contractors' performance improvement

**100%**

Corporate Lost Time Incident Frequency (LTIF)

**0.37**

Total Recordable Incident Rate (TRIR)

**0.60**

(we improved our TRIR from 0.82 in 2021 to 0.60 in 2022)

Code of conduct awareness

**99.2%**

(\* Highlights covers direct-hire employees and contractors)

## Membership and Certifications



## Nine ISO management system certifications

- ISO 9001:2015 – Quality Management System
- ISO 14001:2015 – Environmental Management System
- ISO 45001:2018 – Occupational Health and Safety Management System
- ISO 50001:2018 – Energy Management System
- ISO 55001:2014 – Asset Integrity Management System
- ISO 22301:2019 – Business Continuity Management Systems
- ISO 29001:2020 – Petroleum, petrochemical and natural gas industries: Sector-specific Quality Management Systems
- ISO/IEC 27001:2013 – Information Technology Security Management System
- ISO 20000-1:2018 – Information Technology Service Management System



## International Association of Drilling Contractors (IADC)

- Accredited Rig Pass for Green Hat program designed to provide safety orientation and prepare new employees for most operating environments, both onshore and offshore.



## API

- Q1 Certificate
- Q2 Certificate (in-progress)



# Sustainability



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## Sustainability Approach

### Strong Foundation for Sustainability

#### Our Sustainability Vision

To provide efficient, reliable and responsible drilling solutions that create long-lasting, sustainable value for our people, society, and environment across our operations.



During 2022, we focused on sustainable and responsible stewardship. We established a Sustainability Steering Committee to actively oversee sustainability and ESG matters for ADNOC Drilling. We also conducted an internal materiality assessment to address changes and ensure our reporting is aligned with these issues. As part of our commitment to sustainable and responsible stewardship we developed a decarbonization roadmap to illustrate key GHG emission reduction pathways and levers for achieving our climate goals. And as part of our employee welfare practices, we continue to promote a health and safety culture together with the advancement of our people and partners in their sustainability journey. I hope you find this report to be accessible, transparent, and relevant.

Ayman Mohamed Farid Bahnasawy  
VP Health, Safety and Environment  
Sustainability Steering Committee Chair



Sustainability is at the core of ADNOC Drilling's operations. It reflects the company's commitment to energy efficiency, to the environment, to our clients and to the sustainable socio-economic development of the region.

In 2022, we established **ADNOC Drilling's Corporate ESG Statement** to incorporate sustainability principles and considerations into our operations and mitigate ESG-related risks. We believe that we can protect and enhance the environment in which we operate, as well as the needs of our stakeholders, to contribute to a more sustainable future.

Clear communication on the progress we make, as well as the steps we take to achieve the highest standards, is an essential component of an effective sustainability program. Based on an ongoing dialogue with our key (internal and external) stakeholders, we developed a sustainability approach that is flexible, yet grounded in a robust program. This open communication with our stakeholders is a crucial part of our strategy. By continuously assessing concerns, we can adjust our approach as needed.

We are proud of our well-defined governance structure to ensure sustainability commitments are meaningfully developed and integrated into our culture, values and strategy. The **Sustainability Steering Committee** is responsible for shaping the company's sustainability Strategy, initiatives and programs, and for reviewing and evaluating related risks from a strategic, regulatory and financial perspectives. The Committee also manages the development and publication of the annual ADNOC Drilling Sustainability Report and monitors quarterly sustainability performance reports.

#### A Record-breaking Year

##### Record Offshore Well Depth

In February, Island rig AD-68 broke its own record for drilling the longest horizontal well in the Middle East and the fourth longest in the world. The length of well UZ668 stretches to 45,297 feet. The well was delivered in 30% less time than planned, with no recorded Non-Productive Time or well control issues, minimizing the impact of our operations on the environment, strengthening our cost optimization and maximizing ADNOC Drilling competitiveness.

##### Longest Well in the Region

In May, ADNOC Drilling broke its own record once again with a new well that is the longest in the region, measuring 45,300 feet. Well UZ-668 was made possible thanks to advanced drilling techniques, which include Extended Reach Drilling and Maximum Reservoir Contact, the equipment we have access to, and our excellent collaboration across business divisions and ADNOC Group.

##### Longest Well in the World

In October, Island rig AD-68 delivered the world's longest well. The well, UZ-672, was drilled from Umm Al Ambar Island, one of ADNOC's artificial islands. The well stretches 50,000 feet, which is 800 feet longer than the previous world record set in 2017. This record-setting achievement, completed with 100% HSE, will enable ADNOC to unlock additional production capacity, accelerate growth and create sustained value for the UAE which will reduce associated emissions and environmental impact.

## Alignment with ADNOC Building a Sustainable Legacy

ADNOC is committed to creating lasting and sustainable value for its people, business and society by integrating best-in-class ESG and HSE standards across operations, giving back to communities, supporting sustainable economic development and investing in clean new energies.

As a leading diversified energy group, wholly owned by the Abu Dhabi Government, ADNOC fully-integrate businesses across the energy value chain, and responsibly meet the demands of an ever-changing energy market.

As one of the least carbon intensive producers in the world, ADNOC's take significant steps to make today's energy cleaner while simultaneously investing in the clean energies of tomorrow to strengthen the position as a reliable and responsible global energy provider.

With this focus, ADNOC's allocating \$15 billion to advance and accelerate lower-carbon solutions, investing in new energies and decarbonization technologies to reduce carbon intensity by 25% by 2030 and enable Net Zero by 2050 ambition.

### ADNOC Drilling

Our ambitious sustainability goals reinforce our long-standing commitments and highlight targets related to six sustainability pillars, which are the foundation of our Sustainability Strategy 2021-2030.



#### Climate, Emissions and Energy

- Decrease GHG intensity
- Reduce Energy intensity gradually every year
- Reduce non-GHG emissions
- Enhance use of alternative clean energies



#### Environment

- Minimize impacts through best-in-class EMS
- Achieve zero spill incidents
- Conduct a 360-degree review of the water recycling and waste management practices



#### Workplace Diversity and Development

- Empower women employees at leadership and technical roles
- Enhance the capabilities of our people
- Improve Emiratization rate



#### Economic and Social Contribution

- Improve an In-Country Value (ICV) score across our entire value chain
- Engage more with local community
- Improve economic value generated and distributed



#### Health, Safety and Security



#### Business Sustainability

- Strengthen collaboration with our stakeholders
- Advance leadership programs

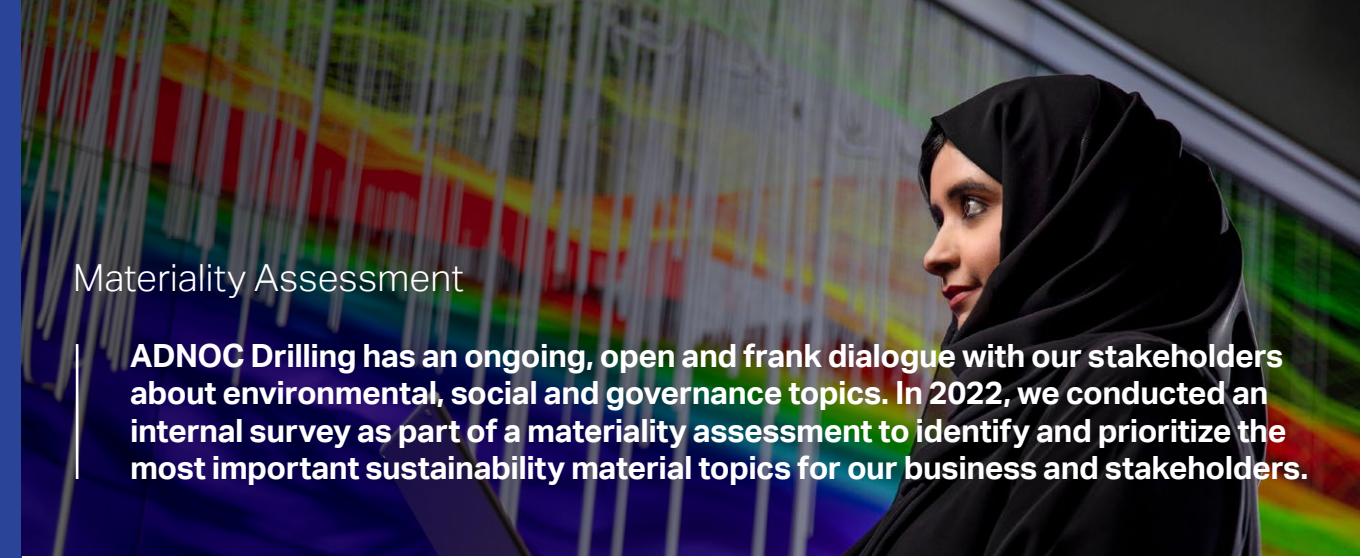
## ADNOC's 2030 Sustainability Strategic Pillars



## Sustainability Goals and Commitments

**Our commitment is to embed sustainability across all our business activities in line with regional and global industry best practices.**

Commitments	Sustainability Pillars	Material Topics	Page
<b>E</b> Commitment to the protection of the environment through monitoring, reporting and improvement of our environmental performance, energy and emission reduction, water consumption, waste management and biodiversity management.	 <b>Climate, Emissions and Energy</b>	<ul style="list-style-type: none"> <li>Climate Actions <ul style="list-style-type: none"> <li>GHG Emissions</li> <li>Non-GHG Emissions</li> </ul> </li> <li>Energy Management</li> </ul>	22 23 23 24
	 <b>Environment</b>	<ul style="list-style-type: none"> <li>Environment Management</li> <li>Water and Effluents</li> <li>Waste Management</li> <li>Ecological Impacts</li> </ul>	25-27 28-29 30-31 32
<b>S</b> Commitment to drive 100% health and safety compliance across our operations and improving workforce diversity through equal opportunity and adoption of best practices.	 <b>Health, Safety and Security</b>	<ul style="list-style-type: none"> <li>Health and Safety</li> <li>Security Practices</li> </ul>	39-43 44
	 <b>Economic and Social Contribution</b>	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Responsible Procurement</li> <li>Customer Privacy</li> <li>Community Engagement</li> </ul>	45 46 47-48 49-51
	 <b>Workforce Diversity and Development</b>	<ul style="list-style-type: none"> <li>Employee Welfare</li> <li>Learning and Development</li> <li>Diversity and Equal Opportunity</li> </ul>	34-35 36-37 38
<b>G</b> Commitment to creating impact and value through the highest standards of governance, ethics and transparency, monitoring the Company's overall approach to Sustainability and ensuring that we comply with applicable regulations and requirements.	 <b>Business Sustainability</b>	<ul style="list-style-type: none"> <li>Board Oversight</li> <li>Anti-Bribery, Anti-Corruption and Ethical Behavior</li> </ul>	19 20



## Materiality Assessment

**ADNOC Drilling has an ongoing, open and frank dialogue with our stakeholders about environmental, social and governance topics. In 2022, we conducted an internal survey as part of a materiality assessment to identify and prioritize the most important sustainability material topics for our business and stakeholders.**

## Stakeholder Engagement

ADNOC Drilling maintains regular communications with all key stakeholders to ensure that our Board of Directors and our senior management receive valuable feedback about our business performance, strategic priorities and initiatives.

The process of communication is also covered in an Article of Association, which is updated on ADX website. To support our outreach efforts and further our commitment to transparency, we regularly update our website to share important information with our shareholders, employees and other stakeholders.

Furthermore, the dialogues with key stakeholders provide us with the information we need to improve our sustainability approach and performance.

### How we engage with our stakeholders

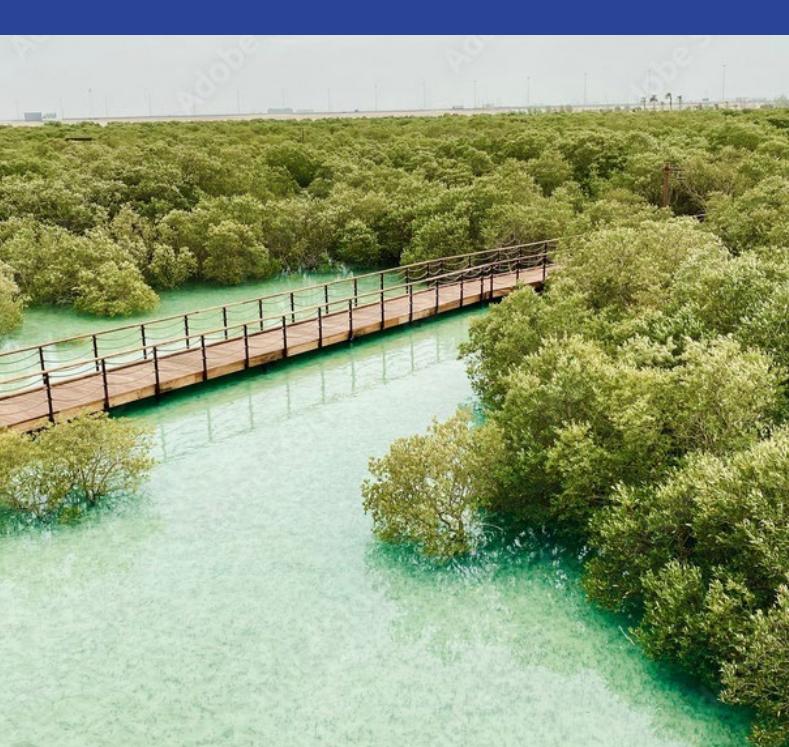


(More information about stakeholder engagement can be found in ADNOC Drilling's Annual Report 2022)



## Alignment with the UN SDGs

In 2021, ADNOC Drilling undertook an exercise to map our material topics and relevant metrics to the SDGs, in order to assess our alignment with the priorities of policymakers and other stakeholders. In 2022, we updated our alignment with these topics.



# Governance



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## Business Sustainability

Through robust corporate governance and risk management, ADNOC Drilling has put in place the necessary policies and procedures to ensure the sustainability of our business and the foundation for strategic progress. At ADNOC Drilling, we promote accountability and control through defined roles, responsibilities and systems commensurate with the risks involved. We strive for progress towards gender equality and accountable and inclusive institutions at all levels. We create value through innovation and sustainable business practices for our customers, our employees, our communities and our shareholders.



## Corporate Governance

We are committed to meeting the high standards of our risk management systems and sustainability objectives through our robust governance framework.

The Board has established three committees to ensure a systematic distribution of responsibilities between the members, allowing for insightful consideration of specific matters assigned to them. These committees are:



Independent Chairman



Independent Directors

**100%**

Number of Board Meetings held in 2022

**4**

Number of BEC Meetings held in 2022

**4**

Number of NRC Meetings held in 2022

**3**

Number of AC Meetings held in 2022

**5**

Annual Performance Evaluation



Director Elections

**Every 3 years**

## Corporate Governance Overview

The Company has established several Management and Steering Committees that focus on specific functional topics, including operational, sustainability and gender diversity related matters.



Further information can be found in ADNOC Drilling's Governance section of the Annual Report 2022.

## Corporate Governance

Environment	
Energy Policy	Sets out our approach and commitment to improve energy performance and integrate best practices in the energy management system.
Energy Manual	Embeds ISO 50001:2018 requirements and sets out continuous improvement and encouraging employees to promote energy management in the Company.
Environment Standards	Sets out our approach and commitment to improve environmental performance and integrate best practices in the environment management system.
Environment & Social	
Corporate ESG Statement	The statement sets out our commitment to deliver reliable, and responsible drilling solutions to create long-lasting, sustainable value for our people, society, and environment across our operations.
HSE Policy (Group-wide)	Policy sets out our commitment to the highest standards of HSE by protecting our people, communities, and the environment; ensuring effective security and business continuity measures and following sustainable business practices.
HSE Standards and Framework	Our robust HSE Standards are aligned with local and federal laws and regulations as well as international best practices.



## Corporate Governance

Social	
Business Continuity Management (BCM) Policy	Policy sets out the process to develop the Business Continuity Management System (BCMS) within ADNOC Drilling and it shapes the commitment and approach to business continuity, along with roles and responsibilities.
Disciplinary Policy	Sets out the process for initiating disciplinary actions against our employees to ensure our employees are being held accountable to work with integrity.
Gender Diversity Standard	We are committed to advancing gender diversity and equality across the organization and are constantly working to recruit more women in all areas of our business.
Grievance Process	Sets out the process by which employees can report their grievances and the Grievance Committee ensures the grievance process is properly implemented within the Company.
Human Rights	Aligned with the UAE Labor Laws to protect workers' rights that cover recruitment, pay, housing and health and the principles of justice and equality and respect for human rights.
Non-Discrimination	Zero-tolerance policy towards discrimination.
Social & Governance	
Code of Conduct	Overview of the standards of integrity and ethical behavior expected of all employees and everyone who does business with ADNOC Drilling. It demonstrates our commitment to integrity and ethical behavior in everything we do.
Conflict of Interests Standard	Sets out our requirements for the adequate management and avoidance of conflicts of interest.
Gifts and Entertainment Standard	Sets clear standards for acceptable gifts and entertainment exchanged in the context of a business interaction.
Integrity Due Diligence Standard	Sets out our commitment to engage with third parties who conduct business lawfully, ethically, and with integrity.
Supplier and Partner Code of Ethics	Sets out the minimum standards of ethical business practice we expect from those who seek to do business with ADNOC Drilling.
Whistleblowing and Non-retaliation Standard	Everyone working for and with the Company is encouraged to report concerns about violations of laws and standards as well as unethical behavior, while ensuring to protect whistleblowers who reported in good faith from retaliation.



## Corporate Governance

 Governance	
Anti-Bribery and Anti-Corruption Standard	Sets out our zero-tolerance approach to fraud, bribery and any other forms of corruption.
Board Evaluation Standard	Support our commitment to improving the overall performance and effectiveness of the Board and its sub-committees.
Compliance Investigation Standard	Our commitment to operating with integrity includes investigating allegations of violations of laws and standards as well as ethical misconduct.
Corporate Governance Manual	Set out our governance structures and decision-making mechanisms.
Delegation of Authority	Under which the Board delegates authority to the CEO and Executive Management, subject to appropriate limits.
Dividend Policy	The periodic distribution of dividends to shareholders is in line with the Board's recommendation and shareholder approval.
Ethics and Compliance Standard	Sets out ADNOC Drilling's approach on lawful and ethical business conduct, in line with the Code of Conduct.
Fraud Risk Management Standard	ADNOC Drilling is committed to preventing fraud and has established this standard in line with the COSO framework, applicable laws, and best practices.
Information Disclosure and Transparency Standard	Demonstrates our commitment to disclose material information that could affect our share price, in accordance with applicable disclosure requirements.
Inside Information and Insider Dealing Standard	We take a zero-tolerance approach to insider dealing, as fair and transparent dealings in our securities is of paramount importance to us.
Related Party Transactions Standard	Designed to ensure that transactions with related parties are conducted on arm's length terms and are supported by a legitimate business case.
Sanctions and International Trade Controls Standard	ADNOC Drilling is committed to complying with all applicable international trade control regulations including sanctions and export controls.



## Sustainability Governance

At ADNOC Drilling, sustainability is an important part of daily business operations and management systems.

Our Board of Directors holds the overall responsibility for ADNOC Drilling's sustainability progress and impact. The Board oversees Environmental, Social and Governance (ESG) targets, programs, initiatives and risks.

ADNOC Drilling established a Sustainability Steering Committee in 2021 to oversee the various areas of sustainability. The Sustainability Committee has identified Sustainability Champions across all divisions to support the implementation of our sustainability initiatives and the development of sustainable best practices within the Company.

Our Board and Board Executive Committee considered our ESG and Sustainability programs at each meeting held in 2022, demonstrating our commitment to sustainability.



## Sustainability Committee Objectives:

- ✓ Establish ADNOC Drilling's strategy, framework and approach to sustainability
- ✓ Set and monitor targets and KPI's for Sustainability and ESG across the organization
- ✓ Provide oversight of ADNOC Drilling's Sustainability strategy and initiatives
- ✓ Provide oversight of ESG policies and guidelines and performance
- ✓ Approve and oversee ADNOC Drilling's Corporate Social Responsibility strategy and initiatives
- ✓ Ensure effective identification, assessment and management of Sustainability risks
- ✓ Establish and oversee Social Risk Management
- ✓ Ensure ADNOC Drilling complies with applicable Sustainability regulatory and reporting requirements

## Board Oversight

The Board of ADNOC Drilling is wholly committed to the sustainability of our organization, the wellbeing of our employees and the welfare of our community. We are transparent in our policies and accountable in our practices to deliver the highest environmental, social and governance standards.

The ADNOC Drilling Board is composed of seven independent non-executive directors and is responsible for ADNOC Drilling's strategic direction, oversight and Corporate Governance. The Board is the principal decision-making body for all matters that are significant to ADNOC Drilling, whether in terms of their strategic, financial or reputational implications. It supervises the interests of stakeholders, the creation of a culture aimed at long-term value creation, responsible and sustainable operations, and the effectiveness of the Company's risk management and internal control systems.

### Board Diversity

All members of the Board of Directors, including the Chairperson, are UAE nationals. In keeping with our commitment to gender diversity, we are open to any opportunity to include more female representation on our Board. To this end, where vacancies arise, we will actively seek female representation while considering all qualified candidates, regardless of gender. Currently, we have one female member on the Board of Directors and the Board Executive Committee and two female members on the Nomination and Remuneration Committee.

### Board Performance

The UAE Securities and Commodities Authority's Board of Directors' Decision No. (3/R.M.) of 2020 Concerning the Approval of Joint Stock Companies Governance Guide requires the Board to conduct an annual evaluation of its performance and the performance of its sub-committees, members and Executive Management to determine ways to strengthen its effectiveness. The evaluation process supports the constructive improvement of the directors', sub-committees' and Executive Management's overall performance and effectiveness, to maximize their strengths and take corrective actions where necessary.

### Gender Equality

As we advance gender equality and positive recruitment, the Nomination and Remuneration Committee and the Board approved the ADNOC Drilling Gender Diversity Standard in 2022. We continue to encourage more females in all roles to become part of the ADNOC Drilling family.

Indicator	Unit	2020	2021	2022
Percentage of Independent Board members (outside)	%	100	100	<b>100</b>
Percentage of Board seats occupied by female	%	29	29 (pre-listing) 14 (post listing)	<b>14</b>
Percentage of Board seats occupied by male	%	71	71 (pre-listing) 86 (post listing)	<b>86</b>

### Gender Diversity Standard – Elements

1. Recruitment	2. Retention	3. Promotion	4. Representation	5. Compensation and Benefits	6. Diversity of the Board
 <p>Recruitment strategies that enable equal opportunities for female and male candidates for all vacancies to ensure a gender diverse population</p>	 <p>Additional issues and concerns around retention of women and implementation measures to address them, which may include:</p> <ul style="list-style-type: none"> <li>• Sponsorship programs</li> <li>• Professional development and coaching</li> <li>• Family-related leave</li> <li>• Adjustments to working conditions and facilities</li> </ul>	 <p>Promote gender diversity across the company. Some measures may include:</p> <ul style="list-style-type: none"> <li>• Flexible working arrangements</li> <li>• Visible role models</li> <li>• Mentoring and shadow programs</li> </ul>	 <p>Ensuring diverse representation of women in:</p> <ul style="list-style-type: none"> <li>• Leadership positions</li> <li>• Core and supporting functions</li> <li>• Committees</li> </ul>	 <p>Assess pay and benefit levels to:</p> <ul style="list-style-type: none"> <li>• Seek pay parity for male and female personnel across roles and job grades</li> <li>• Address any inconsistencies</li> </ul>	 <p>Meeting the SCA requirements of female representatives on the Board</p>

Over the course of 2023, we will also establish a new Gender Diversity Steering Committee to oversee and monitor ADNOC Drilling's overall approach to diversity. The existing Gender Balance Taskforce will report to the Gender Diversity Steering Committee and coordinate, implement and manage initiatives, projects and reporting.

## Anti-Bribery, Anti-Corruption and Ethical Behavior

Our guiding principles are that we conduct our business lawfully, with integrity, transparency, and accountability. Therefore, we expect our partners, employees, and representatives to adhere to similar standards. We have a zero-tolerance approach toward fraud, bribery, or any other forms of corruption. To further that commitment, we have updated our Anti-Bribery and Anti-Corruption and Anti-Money Laundering standards in 2022.

In order to support our workforce in understanding and complying with our standards and policies, we conduct numerous compliance awareness sessions throughout the year on various topics. 99.2% of ADNOC Drilling employees completed our Code of Conduct e-learning course, increasing from 78.2% in 2021. This includes topics such as conflicts of interests, information confidentiality, integrity due diligence, gifts and entertainment and sanctions.

We are champions of accountability, transparency and integrity in the workplace, qualities reflected by our fourth consecutive year of zero incidents of any forms of corruption and zero legal actions regarding anti-competitive behavior or violations. We also achieved a 100% completion rate of employees declaring compliance with ADNOC Drilling policies, covering the topics of conflicts of interests, confidentiality, whistleblowing, gifts and entertainment and sanctions, an initiative introduced in 2022.

We require that anyone who does or seeks to do business of any kind with ADNOC Drilling abides by our Supplier and Partner Code of Ethics.

### Enterprise Risk Management (ERM)

Risks are identified and managed in accordance with procedures laid out in our Enterprise Risk Management system.

Our risk management approach aligned with the Committee of Sponsoring Organizations of the Treadway Commission (COSO), ISO 31000 and the ADNOC's ERM standards. To support the ERM system, ERM policies and procedures are periodically reviewed and updated.

The key functions of our ERM system include:

- Facilitating risk informed strategic planning to achieve business objectives and identify potential business opportunities
- Supporting ADNOC Drilling in identifying and managing key strategic, functional, investment and project risks (including the use of an objective driven process)
- Assessing the identified risks and the potential impact of such risks on ADNOC Drilling and its key objectives
- Enhancing corporate performance as processes become more risk aware and control focused
- Strengthening ADNOC Drilling's resilience to market disruption and evolving business practices

ADNOC Drilling's risks are monitored by a dedicated enterprise risk unit and this unit provides quarterly reports to the Audit Committee and the Board of Directors.

Indicator	Unit	2020	2021	2022
Percentage of employees certifying compliance with ethics and anti-corruption policies.	%	-	-	<b>100</b>
Number of major legal and regulatory violations	#	0	0	<b>0</b>
Number of operations/business suspensions due to misconduct	#	0	0	<b>0</b>
Number of bribery cases detected	#	0	0	<b>0</b>
Number of legal incidents detected	#	0	0	<b>0</b>
Percentage of suppliers and partners that the Company's Supplier and Partner Code of Ethics has been communicated to	%	100	100	<b>100</b>
Number of compliance awareness sessions and campaigns	#	5	11	<b>37</b>

### 2023 Outlook

In 2023, we aim to increase the effectiveness of our compliance standards even further within our own organization as well as with third-party business partners.

We will conduct comprehensive compliance awareness sessions to effectively educate all our staff whether they are working on a rig or in our headquarters, with the

objective of maintaining our 100% completion rate of the Compliance Declaration and achieving 100% completion of the Code of Conduct e-learning.

In addition, the Board will revamp the Sustainability Steering Committee with members from senior management to lift the profile of sustainability and ESG across the organization.



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## Climate, Emissions and Energy

### Climate Actions – GHG and Non-GHG Emissions

In alignment with ADNOC, we aim to provide 'Maximum Energy. Minimum emissions' building a better and more sustainable world that works for both people and the environment. ADNOC Drilling's response to climate change involves reducing and stabilizing the levels of greenhouse gas emissions (GHG) and adapting to changes in processes, practices and structures to moderate their effects.



In order to achieve our targets, ADNOC Drilling's integrated approach to climate change balances energy demands and environmental responsibility. Supporting the UAE's commitment to Net Zero by 2050 and ADNOC's ambition to reduce GHG emissions intensity by 25% by 2030, we have developed a roadmap that estimates, forecasts, measures and calculates our GHG and non-GHG emissions.

As part of that roadmap, the ADNOC Drilling Executive Management oversees climate-related risks, working in tandem with the Sustainability Steering Committee. The committee assesses the effects of climate change on the company and ensures that leadership is aligned to mitigate those challenges.

To ensure that our employees also appreciate the causes, effects, prevention and implications of climate change, we regularly hold a range of awareness sessions and promote sustainable operations across all divisions.

#### Monitoring and Storage

ADNOC Drilling's GHG emissions are directly related to diesel-related operations and activities on rigs, camps, transportation and other facilities (in scope 1 and 2 emissions). In addition to diesel, we track the volume of water and electricity usage on a daily basis, gathering data to estimate and manage monthly consumption and evaluate GHG and Non-GHG emissions.

In 2022, we launched an Energy Monitoring System (EnMS) for Onshore rigs, targeted at influencing crews' attitude towards energy consumption and introduced an Energy Storage System pilot project.

#### Decarbonization

ADNOC Drilling decarbonization projects aim to reduce GHG emissions and energy intensity. These projects contribute to meeting ADNOC's 25% GHG emissions intensity reduction target by 2030:

- Electrification of the Central camps: This project aim to replace the use of diesel consumption in our central camps with ADNOC Onshore clean power supply and ADDC power supply.
- Energy Monitoring System: This project aims to change rigs crew's behaviors towards reducing energy consumption and optimizing the use of diesel.
- Energy Storage System: This project aims to minimize the use of diesel generators in the rigs, optimizing their operational regime.

This will have a significant effect on our emissions while continuing to guarantee a stable source of power.

## Climate, Emissions and Energy

### Climate Actions – GHG and Non-GHG Emissions continued

#### Metrics

In order to gauge the quantity and consistency of our emissions, we use four key criteria to provide clear insights and allowing us to track our progress with reducing emissions and identifying areas for improvement.

Gross direct (Scope 1) emissions are measured in tons of carbon dioxide equivalent (tCO<sub>2</sub>e) over a given period of time, although other GHGs are included in the equation. They relate to ADNOC Drilling's stationary sources such as Onshore and Offshore, as well as mobile sources, which are controlled or operated by the company.

Gross location-based energy indirect (Scope 2) emissions, again measured in tCO<sub>2</sub>e, represent the GHGs produced by internal operations within the ADNOC and external factors needed for the Group to operate. Moreover, any increase or decrease in emissions would be directly related to operational scope, such as the number of rigs in operation, their associated efficiency and the emission factor.

GHG emissions intensity (tCO<sub>2</sub>-e/rig) calculates tons of carbon dioxide equivalent per rig and finally, non-GHG emissions include nitrogen oxides (NOx), sulphur oxides (SOx) and Non-Methane Volatile Organic Compounds (NM-VOCs).

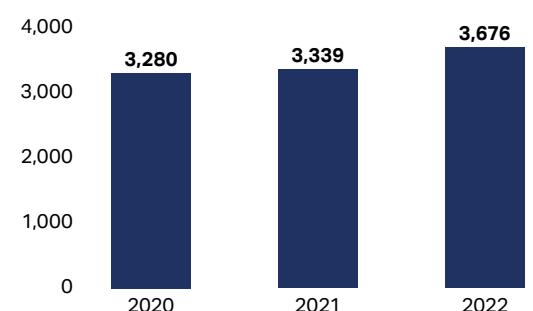
ADNOC Drilling records zero flaring emissions, as its primary purpose is to provide rig services.

#### Gross Direct Emissions (Scope 1 and 2)

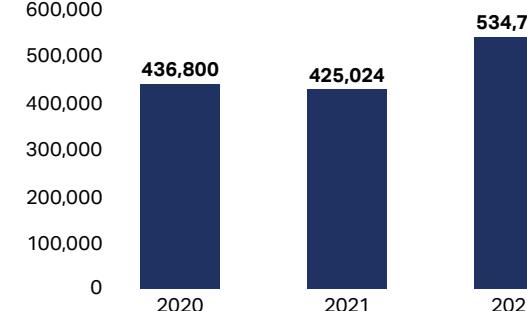
##### Greenhouse Gas (GHG) Emissions

Indicators	Unit of measure	Year 2020	Year 2021	Year 2022
<b>GHG Emissions</b>				
Gross direct (Scope 1) emissions	tCO <sub>2</sub> e	429,557	421,827	534,361
Gross location-based energy indirect (Scope 2) emissions	tCO <sub>2</sub> e	7,243	3,197	403
Total GHG emissions	tCO <sub>2</sub> e	436,800	425,024	534,764
Total GHG emissions per output scaling factor	tCO <sub>2</sub> e/Rig	3,280	3,339	3,676

#### Total GHG emissions per output scaling factor tCO<sub>2</sub>e/Rig



#### Total GHG emissions tCO<sub>2</sub>e



GHG emissions like-for-like on rigs is reducing, however increased overall GHG emissions is attributed to increased number of wells and length drilled.

#### 2023 Outlook

In 2023, we will continue to progress our 2022 objectives and initiatives.

ADNOC is a partner of the oil and gas methane partnership (OGMP) 2.0 framework and is required to report and reduce the quantity of methane emissions from its operations. In 2022, ADNOC Announced New Upstream Methane Intensity Target of 0.15% by 2025. The aim of the project is to achieve the OGMP 2.0 Gold Standard by 2023, carrying out fugitive and vent emission monitoring, combustion monitoring and unintended emissions from different sources at ADNOC's value chain.

As one of our top priorities, ADNOC Drilling will continue to advance our decarbonization plan to mitigate any adverse effects on the environment and invest heavily in research and development to ensure maximum efficiency.

## Climate, Emissions and Energy Energy Management

ADNOC Drilling is committed to reducing energy consumption and continues to optimize results with minimum resources. Our ongoing efforts to improve and monitor energy performance are critical in nature. This performance data provide us the scope to upgrade and update our facilities and enhance our energy savings.

ADNOC Drilling leads by example through its commitment to decarbonize operations by producing more energy with less environmental impact.

### Achievements in 2022

We implemented several high-impact initiatives in 2022, which involved power distribution as well as increasing awareness and understanding in ADNOC Drilling employees. For more information, see decarbonization projects on page 22.

ADNOC Drilling developed a comprehensive action plan to achieve 5% energy efficiency improvement by 2025 compared to our baseline of 2018. We have successfully completed the review and updated the Energy Management System in accordance with ISO 50001:2018 and synchronized with the latest ADNOC Energy Management System (EnMS) Standard Guidelines.

In our camps, a number of energy management initiatives have been implemented, including:

- Installed Solar Street lights at BAOB Camp Fencing (2022)
- Installed solar flood lights for Mobile Camps (2022)
- Completed installation of CCTV camera system around the BAO Perimeter
- Installed motion sensor lighting in accommodation areas (started in 2021 and completed in 2022)

### Energy consumption

As we continue to improve all aspects of energy management, it is vital that we can accurately measure and assess our targets and results. Precision monitoring ensures that we are able to identify key focus areas with a view to increasing effectiveness and reducing the unnecessary use of resources.



Energy Consumption	Measure	2020	2021	2022
Total electricity consumption	MWH	7,095	7,011	<b>7,359</b>
Total fuel consumption within the organization	Million US Gallons		43	45
				<b>50</b>

## Environment

### Environment Management

As a responsible corporate citizen, ADNOC Drilling is fully engaged and committed to reducing the impact of our operations on the natural environment. We take a proactive approach to identifying opportunities and taking action to manage resource use and reduce waste through a wide range of programs and initiatives that are embedded in our corporate culture.

ADNOC Drilling is wholly committed to supporting ADNOC's vision to meet the world's demand for energy through reducing environmental footprint and innovative technologies that prioritize a sustainable approach to our operations.

Our leadership promotes a culture that reinforces environmental achievement and world-class performance, and it is through our people that we exemplify our values of safety, teamwork, excellence, accountability and innovation.

Our Sustainability Steering Committee oversees and monitors our approach to environmental performance and ensures that we comply with relevant regulations and requirements. Our commitment to addressing **actions on climate change, GHG emissions, air emissions, energy usage, water quality and consumption, waste management and ecological enhancement**, helps to ensure a sustainable ecosystem for future generations. This includes working with clients and other stakeholders to minimize all environmental footprints from our operations.

Our Sustainability Champions continuously coordinate, implement and manage relevant initiatives and projects.

ADNOC Drilling's Pollution Prevention and Control (PPC) takes an integrated approach to management of environmental impacts. Emissions into air, water and land, together with other factors, must be considered together to provide comprehensive high-level environmental protection.

All facilities, including pre-treatment plants, sanitary and industrial wastewater treatment plants, pumping stations and waste management plants and systems will adhere to the appropriate environmental practices and measures based on Best Available Techniques (BAT) to control the emission of odors from their operating units.



Introduction

Sustainability

Governance

Environmental

Social

Indices

## Environment

### Environment Management continued

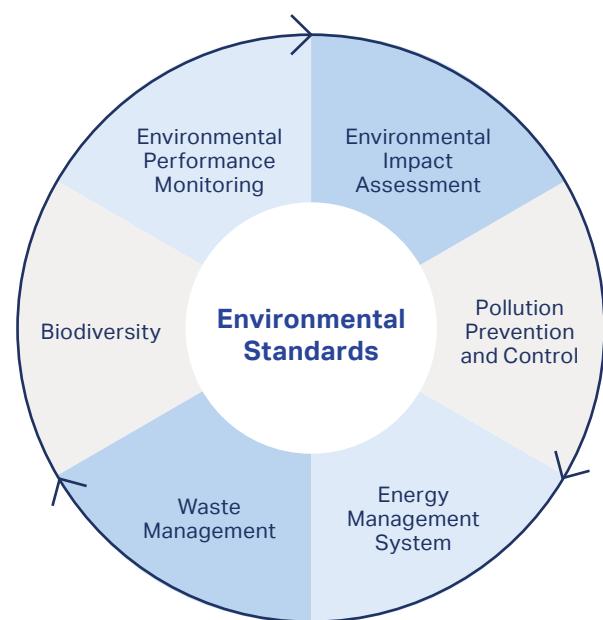
#### Environment Management System (EMS)

Our EMS provides a framework to ensure structured and responsible environmental performance monitoring, a driving force behind business decisions and activities.

Our Corporate ESG statement and Group-wide HSE policy are in line with the UAE's commitment and UAE Vision 2030.

As defined in our corporate ESG Statement, we are committed to providing and managing an effective EMS that complies with ISO 14001:2015 standard, and continuously improves operations by reducing waste and emissions, while improving the efficient use of natural resources.

Environment standards aligned with our business and



operational activities as well as a robust environmental framework are essential elements of our EMS. Monthly progress updates are provided to our management team. Our CEO oversees the Company's progress and provides quarterly updates to the Board and other stakeholders.

ADNOC Drilling's Executive Management is actively involved in setting the environmental performance expectations and initiatives that drive our Journey to Excellence and continuous improvement process with the support of our HSE team.

#### Highlights

ADNOC Drilling invested in several environmental, resource management and decarbonization initiatives in 2022, aimed at reducing the company's carbon footprint to mitigate any potentially adverse environmental effects.

As part of monitoring activities, we conducted asset-level feasibility and economic mitigation options, that were identified in our carbon strategy.

In terms of maintaining our standards and adhering to global best practices, we successfully completed the ISO 14001:2015 recertification. This is a requirement for an environmental management system that an organization uses to enhance its performance and effectively manage its responsibilities to advance sustainability.

Furthermore, as part of our awareness campaign, we distributed sustainability and waste management posters to all rigs to educate workers on waste bin color coding.

We installed lighting sensors at accommodation areas for energy saving.

We also initiated a project to install solar powered streetlights around camp fencing and installed solar floodlights for mobile and central camps to enhance safety and security and reduce non-renewable energy consumption.

#### Metrics

We measure key metrics in terms of our sustainability commitments, actions and results. Ongoing efforts to monitor progress provide us with the opportunities to take action and put into place relevant initiatives to decarbonize operations.

#### Initiatives

A key feature of our environmental initiatives is to inspire and motivate our people. We celebrated an Environment Month campaign to mark International Environmental Day in June, with outstanding results in terms of practical biodiversity support and raising awareness.

#### Environment campaign kickoff announcement

We launched an Environment Sustainability campaign on 5 June to coincide with World Environment Day. We promoted the campaign through emails to all staff and posts on live screens.

#### Sharing pro-sustainability behavioral tips and video

We circulated informative tips and a video on what actions our employees can take to adopt a pro-sustainability behavior and lifestyle. We encouraged our employees to lead by example and become catalysts of positive change within their families, friends and local communities.

#### Supporting the environmental efforts of People of Determination

ADNOC Drilling understands that true sustainability also relates to our communities, balancing economic growth and the welfare of society and the environment. Our Youth Committee, along with our CSR team, organized a three-day program to promote and sponsor organic products from Zayed Agriculture Center for Development and Rehabilitation that were produced and cared for by people of determination. It is part of our company culture that we empower and encourage our people to be a positive member of society and embrace diversity by being tolerant, respectful and open-minded.



## Environment

### Environment Management continued

**Initiative**

| Tree farming at Camps

As part of ADNOC Drilling ESG Commitments, we organized a tree farming initiative to reduce greenhouse gas emissions, while at the same time providing shade at the rear of the Madinat Zayed Central Camp to protect our people from extreme heat and guard our assets.



**Initiative**

| Distribution of reusable water bottles

In support of the UAE's vision to ban single-use plastics, ADNOC Drilling distributed reusable bottles to employees.



**Initiative**

| Mangrove tree planting at Jubail Island

The purpose of the initiative is to plant mangrove trees at Jubail Island and contribute to the protection of wildlife, improve water quality, habitats for fish and the overall reduce GHG emissions through carbon sequestration.

As part of ADNOC Drilling's ESG Commitments and Decarbonization targets, this initiative aligns with the UAE goal to plant 100 million mangrove trees by 2030. In addition, we encourage awareness and action for the protection of Abu Dhabi's ecosystems and promote collective responsibility for the natural environment.

**Initiative**

| Distributing environment-friendly Canvas Bag

To encourage greater environmental consciousness and more sustainable practices, we distributed reusable bags to all employees, contributing to Abu Dhabi's efforts to reduce single-use plastics.



We attach a fabric tag that mentions the bags are made from recycled cotton and environment-friendly material.

- **Phase 1:** All ADNOC Drilling Head Office employees, BAO Complex Administration Building, Musaffah Office (around 1,000 employees).
- **Phase 2:** All rig crew teams and operation locations including 3rd party contractors (around 8,000 employees).

### 2023 Outlook

In 2023, we will continue to set new targets for environmental indicators such as waste and water recycling and look towards increasing expenditure for more green projects. Our results and initiatives for 2022 have proved highly successful and we will intensify our efforts even further this year to safeguard the wellbeing of our unique environment.

We are planning to introduce a new sewage treatment plant – REED Box in coordination with ADNOC Technology. Further, construction of a new scrap yard with proper fencing for effective waste segregation and disposal purposes. Following a pilot project in 2022, we will introduce wastewater evaporators to discharge treated STP water, as well as a compost machine for food waste at our BAO and Central Camps.

We are also planning to implement the Miyawaki Method of Plantation and Sustainable Farming on a small scale and will continue our activities to grow fruits and vegetables from waste. We will launch a pilot project to implement fully solar powered mobile accommodation camps, plant bio-saline plants in the SABKA Area (Tariff Central Camp) and promote water conservation methodologies by installing water saving fixtures in sinks, wash basins, shower heads, etc. in all camps.

## Environment

### Water and Effluents

As part of our commitment to prevent the overuse of water resources, ADNOC Drilling tracks usage data throughout our operations and relevant support facilities, camps and offices. Our water is obtained through a range of sources, including the sea, groundwater and third parties. This includes water for domestic purposes, as well as manufacturing and maintenance activities.

We are aligned with ADNOC's target to use less than 0.5% fresh water in our operations. ADNOC Drilling does not tap into any fresh water sources. Sea water satisfies 95% of our water usage, all of which is reclaimed and discharged back into the sea.

#### Water Use and Conservation

In line with our internal policies and controls, we take all appropriate measures to conserve the use of water resources. We ensure that groundwater abstraction is sustainable and does not exceed natural aquifer recharge rates and that all conservation measures are used during production activities with minimal water wastage.

Due to the increase in drilling activities and employee growth during 2022, the overall use of water consumption increased compared to 2021.

We identify opportunities to reduce, reuse and recycle water and ensure discharge of process water do not contain toxic or harmful substances or result in any significant adverse impact on the natural water environment.

#### Water Effluents

All ADNOC Drilling water discharge goes beyond the relevant regulatory discharge limits. These include:

- **Storm Water**
- **Process Effluent**
- **Produced Water**
- **Sanitary Wastewater**
- **Hydrotesting Fluids**

#### 2023 Outlook

The aim of our water management for 2023 is to increase water efficiency and reduce consumption, GHG emissions and costs during our operations on rigs, camps and facilities.



#### Water Management in 2022

Indicator	Unit	2020	2021	2022
<b>Water Consumption</b>				
Total water consumption from all areas	(Million Liters)	882	687	<b>837</b>
<b>Water Withdrawal</b>				
Total withdrawal from groundwater sources	(Million Liters)	219	367	<b>477</b>
Total withdrawal from sea water sources	(Million Liters)	12,082	26,358	<b>22,841</b>
Total withdrawal from third-party water sources	(Million Liters)	663	804	<b>811</b>
Total withdrawal	(Million Liters)	12,964	27,529	<b>24,129</b>
<b>Total Water Discharge</b>				
Total water discharged	(Million Liters)	12,082	26,358	<b>23,291</b>

## Environment

### Water and Effluents continued

#### Case Study: Innovation in Action

##### STP Sprinkler System:

"Innovative, cost effective solution for removing STP Treated Water from camps and rigs."

This initiative evolved from a very simple idea to recycle STP treated water with an STP sprinkler system. As part of our commitment to achieving more with less, our Bida Al Oshaneh Base (BAOB) and Camp team developed and implemented a simple and sustainable low carbon solution to recycle STP treated water with an STP Sprinkler System. This pilot project was installed at Buhasa Centralized Mobile Camp. Developed in response to calls for more sustainable solutions across the business, the system has proved to have double value proposition, offering both cost savings and environmental benefits.

The system not only irrigates the area, it also cools the ground, serves as dust control, eliminates the cost of third-party contractors and reduces GHG emissions. In addition, the costs associated with the removal of excess treated waste are greatly reduced. After rigorous laboratory tests and monitoring, the pilot project verified the water quality and met the ADNOC discharge limits, demonstrating its readiness for use.

By completely removing the need to transport waste water for disposal, ADNOC Drilling saves approximately AED1.5 million per year, per camp, and avoids the collective emission output from the mass transport of water from sites every day, which saves an average of 430 tons of CO<sub>2</sub> per year.

ADNOC Drilling has proven that its employees can be change agents that help to drive sustainability across the business. Making a difference doesn't have to be a costly or complicated solution. In the future, we will roll out the initiative across different rigs and camps.



#### Message from BAOB team

“

We strongly believe in sustainable development, and our VP – Mohamed Ahmed Al Mteiri, Base and Camps – is always encouraging and supporting us to be self-sufficient in all of our activities and projects. When we meet every day, we talk about how to be self-sufficient in all aspects of our lives, both personal and professional.

We encourage everyone to participate in some simple sustainable business practices at all times. For example, turning off lights, reducing paper use, reducing food waste, and so on.

Our goal is to ensure that every individual in BAOB and Camps understands and implements the corporate sustainability strategy in every way possible.

## Environment

### Waste Management

Our environmental standards drive a waste management system that enables ADNOC Drilling to optimize efficiencies and minimize waste to reduce our environmental impact.

The nature of the activities carried out by ADNOC Drilling means that a variety of waste streams are generated during day-to-day operations. Our waste management system applies a waste hierarchy that determines objectives to achieve rigorous goals, in compliance with ADNOC and UAE laws.

#### Waste Management System Objectives

Guidance on the types of waste that may be generated and how they must be controlled and managed

Establish requirements for waste inventories

Follow principles of waste management hierarchical control

Establish requirements for Duty of Care

Ensure waste management forms are integral to ADNOC Drilling operations management procedures

Our systematic approach to proactive waste management applies to all ADNOC Drilling operations associated with onshore and offshore operations, as well as base camps, workshops and warehouse operations. As an integrated part of the ADNOC Drilling HSE Management System, we adhere to stringent criteria.

#### HSE Management Criteria

Identification of relevant regulations, restrictions and requirements

Waste management flows

Waste identification and categorization

Waste management practices

Analysis of source reduction

Selection of waste management methods

Development and implementation of waste management initiatives

Revision and updating of procedures



#### Avoid

waste generation



#### Reduce

the amount of waste you create



#### Replace

with sustainable alternatives



#### Re-use

items when you can



#### Recycle

waste material where possible



#### Recover

waste that can be used when possible



#### Treat

waste that could be harmful



#### Dispose

of all waste responsibly

We follow the Waste Management Principles based on fundamental practices to minimize waste and enhance sustainable development.

Effective management of waste begins with avoidance and pollution prevention. This means eliminating, changing or reducing practices which result in discharges to land, air or water.

At the same time, we carry out waste segregation according to its physical and chemical nature, an essential element for maintaining high standards of health and safety. Segregation also allows waste of a similar type to be combined, which simplifies storage, treatment, recycling and disposal.

For ADNOC Drilling, waste segregation is essential for waste minimization options, implemented while complying with all local requirements. In addition, we ensure that our activities meet relevant federal, local and internal laws, regulations and standards at all times.

ADNOC Drilling's standards on specific waste management requirements are defined in our waste management manual, which was updated in 2022. The manual is available to all employees and reinforced through training and awareness sessions.



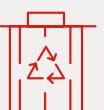
**Green**  
for organic waste (food)



**Grey**  
for general waste (soil, drilling mud, non-recyclable items)



**Blue**  
for recyclable waste (plastic, metal, cardboard, wood, tires)



**Red**  
for hazardous waste (explosives, chemicals, medical waste)

## Environment

### Waste Management continued

#### Hazardous and Non-Hazardous Waste

Properly managing non-hazardous and hazardous waste from ADNOC Drilling operations and business areas mitigates environmental impact, promotes safe operations and protects the health of the community.

Hazardous waste is transferred to the ADNOC Refining Waste Management Unit (BeAAT), for proper handling, treatment and disposal. The facility in Ruwais City is registered in compliance with regulations set by Abu Dhabi Waste Management Center (Tadweer). In 2022, the amount of hazardous waste generated was 2,497 tonnes.

Non-hazardous waste is transferred to Tadweer approved facilities and over the course of last year the amount of non-hazardous waste generated was 2,739 Tonnes.

In 2022, with the ease of COVID restrictions, waste removal services and disposal activities rapidly increased, which impacted our GHG emissions due to transportation.

Annual environmental protection expenditure is \$11.08 million for BeAAT and Tadweer to manage waste disposal.

#### Plans and Actions

In 2022, many of our activities focused on planning and practices, strategic objectives and promoting awareness. We played a leading role in developing the ADNOC Waste

Management Reduction 2030 Roadmap for all Group companies, which contained Government alignment, strategic objectives, KPIs, challenges, opportunities and technology. We updated and rolled out the new ADNOC Drilling Waste Management Manual, conducting awareness sessions to different teams including Offshore, Onshore, ADNOC Drilling head office employees, Musaffah and BAOB camp.

To increase employee awareness on prevention and management of waste, our Sustainability Waste Management Campaign was launched with a quiz, presentation and posters, distributed to all rigs. In addition, the Environment Team carried out site visits to Offshore and Onshore to promote environmental issues. The team also visited the Hazardous Waste Treatment Plant, BeAAT to understand the cycle of waste disposal.

#### 2023 Outlook

In 2023, we will continue to create new waste management initiatives and campaigns to reduce waste generation, as well as maximize waste monetization opportunities at ADNOC Drilling operations in all rigs and camps.





## Environment Ecological Impacts

ADNOC Drilling is committed to protecting the environment and reducing the impact of our operations. As we continually monitor biodiversity, ecosystems and natural habitats, ADNOC Drilling performs an ecological assessment based on the globally recognized Biodiversity Standard.

These evaluations include robust moderation and contingency planning that rely on prompt detection and effective intervention.

We believe that the management and mitigation of risks to biodiversity can only be achieved through effective regulation, independent examination and good operating practices, including independent environmental monitoring and verification.

ADNOC Drilling HSE Standards, are in alignment with different guidelines. In particular, our guidelines, published by the Chartered Institute of Ecology and Environmental Management (CIEEM) for Ecological Impact Assessment (EIA), provide a useful framework to establish a baseline and predict and monitor ecological change.

Our guidelines, published by the Chartered Institute of Ecology and Environmental Management (CIEEM) for Ecological Impact Assessment (EIA), provide a useful framework to establish a baseline and predict and monitor ecological change.

We also use the aligned with other frameworks such as National Framework for Climate Change and Health, The UAE Green Development Strategy and the National Green Agenda 2015-2030, Clean and renewable energy projects, and Marine Conservation: Federal Law No. (24) of 1999 concerning the Protection, Development and Amendments of the Environment (Law No. (11).

We also recognize the critical importance of repairing and enhancing regional ecology. ADNOC Drilling conducts quarterly native tree planting in the areas surrounding the camps and mangrove planting on the Jubail island reserve. In addition to its practical, positive impact on the environment, the campaign is also an important awareness exercise on the causes and impact of harm to our ecosystems. The effects of pollutants, regardless of their scale, are detrimental to our biodiversity, and understanding causes and implications is vital to a path of recovery.

In 2023, we will intensify our monitoring and assessment of local biodiversity and continue to investigate key impact factors. Ultimately, ADNOC Drilling aims to recognize and alleviate existing and potential ecological damage.



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## Workforce Diversity and Development Employee Welfare

ADNOC Drilling's talented, diverse and engaged workforce is the foundation of the company's growth and success. To continue to create value for all stakeholders, we understand that our employees must be happy, healthy and engaged. We invest resources and time to understand the needs of our people, promote awareness on key issues, proactively seek diversity and inclusivity at every level, and provide a wide range of pathways for continuous learning and development.



### Employee Welfare

ADNOC Drilling has always placed the welfare of its employees at the heart of its operations. We take pride in our employees' satisfaction and ability to thrive. We are committed to building a culture of equality, enthusiasm and ambition, which makes us an employer of choice, reduces turnover and increases productivity.

In order to maintain a positive employee experience, ADNOC Drilling conducts annual Pulse Engagement surveys. These allow us to obtain valuable insight into staff satisfaction and commitment to the company. Following the 2022 results, the focus was on supporting an engaged workforce and promoting employee wellbeing in key areas such as learning and development, career opportunities, performance management, rewards and recognition and human capital policies.

Several leadership sessions were conducted to address the importance of employee inclusion and creating a successful and engaged workforce culture.

The survey also highlighted the need for further career planning which led to a new and updated Personal Development Planning (PDP) tool (ADA'E) in SAP SuccessFactor; the process and form of the PDP was simplified for users in order to capture their aspirations and development.

### Our people by numbers

Total Employees (direct-hire and contractors)

**9,044**

Total direct-hire employees

**6,598**

Total new hires (direct-hire and contractors)

**1,385**

Total Contractors

**2,446**

Number of people of determination

**5**

Total female Employees (direct-hire and contractors)

**186**



## Workforce Diversity and Development

### Employee Welfare continued

#### Employee Welfare Initiatives

In implementing our Hi Potential Campaign, we invited employees to nominate themselves to be screened, assessed and then identified as a pool of high-potential professionals. The objective is to enroll promising individuals into development programs and activities to further develop their capabilities.

We also launched our ADA'E program to further encourage a transparent and effective system of setting performance objectives and ensure ongoing conversations and feedback with line managers. As a progressive and inspirational employer, we introduced Recognition Week to reward and motivate our teams in all divisions. In order to provide an even healthier work-life balance, ADNOC Drilling introduced an updated remote working policy for all employees to improve work-life balance. Besides this, we implemented an equal cycle policy at rigs for certain key positions as part of a new operating model.

We delivered activities during the year to deepen employee well being, including team building exercises, Ramadan gatherings with the CEO and field staff at our sites and camp locations, youth engagement events, participation in the ADNOC marathon and health and wellbeing presentations to all employees on a monthly basis.

As members of the ADNOC Drilling family, our employees understand that they can come to us for additional help outside of the workplace. With this in mind, we conducted financial wellbeing sessions for all of our staff to promote our employee assistance programs.

#### ADA'E Launch

Performance management is a key contributor to strong job performance. To improve how we manage feedback and performance we are pleased to introduce ADA'E – our refreshed continuous performance management tool. ADA'E (which means 'My Performance' in Arabic) will replace our traditional mid-year reviews with ongoing conversations and check-ins. Through this change, we aim to enhance employee investment in managing their performance.

#### Identifying Opportunities

Through the ADNOC Drilling engagement survey, we are able to measure and track employees' overall experience and highlight key focus areas where we can improve or take further action.

Based on 2021 results, 76% of ADNOC Drilling employees were positively engaged, 13 points higher than the global oil and gas trend. Moreover, employee perception and feedback on the effectiveness of the action was 69%.

#### Emiratization

Indicator	Unit	2020	2021	2022
Total number of UAE National employees	#	1,619	1,608	<b>1,636</b>
Total number of female UAE National employees	#	158	157	<b>154</b>
ICV score based on Emiratization	%	–	–	<b>26.08</b>

#### Employee Welfare Focus Areas

- Career opportunities
- Employee experience
- Job security
- Learning and development
- Performance management
- Rewards and recognition
- Senior leadership
- Supervision
- Survey effectiveness
- Talent and staffing

Emergency preparedness systems are tested periodically. All the COVID-19 pandemic related highest international and local standards were highly recognized.

A range of HSE wellbeing initiatives were introduced at the camps at sites throughout the year.

#### 2023 Outlook

Our employees will continue to play a pivotal role in the success of ADNOC Drilling and we will drive our commitment to the Accelerate 100X strategy.

Accelerate 100X is the next phase of ADNOC's successful transformation journey to future-proof our business, maximize value for the UAE and lead in the energy transition. Accelerate 100X aims to:

- Maximize value from our hydrocarbon resources and capitalize on rapidly evolving market dynamics
- Future-proof and diversify our energy portfolio to ensure long-term resilience
- Equip our people to deliver on our ambition, with a focus on new skills, simplified governance and a fit-for-purpose operating model

ADNOC Drilling will support with this strategy through a focus on enhancing individual growth, talent recruitment and retention, career progression and reinforcing wellbeing strategies.

## Workforce Diversity and Development

### Learning and Development

The experience and expertise of our workforce are the mainstays of ADNOC Drilling's success. Continual opportunities to increase knowledge and expand skills are vital for our future. We understand that learning and development is critical for every member in each division, regardless of their position or role, and our investment in their professional growth is central to our success as an organization.

Each year, ADNOC Drilling management emphasizes the importance of upskilling and multiskilling and every year our Learning and Development Division delivers superior results in terms of both quantity and quality. Our critical training programs encompass practical, procedural and personal competence, including HSE, technical, business, behavioral and leadership skills. Training is conducted either virtually or in person.

These programs are delivered internally through the ADNOC Drilling Training Center (DTC) or externally through third-party training providers. In both cases, training providers are established industry experts and mentors.

### Expanding Opportunities

Throughout 2022, DTC expanded its capabilities and increased its scope of training opportunities. In line with the National Qualification Center (NQC), we awarded Environmental, Health and Safety Level three and four qualifications and certificates, designed to familiarize candidates with ADNOC Drilling operating systems and procedures. Additionally, we received International Association of Drilling Contractors (IADC) accreditation for Stuck Pipe Prevention courses. We are proud to say that IADC has now registered us as an International Accredited Training Provider.

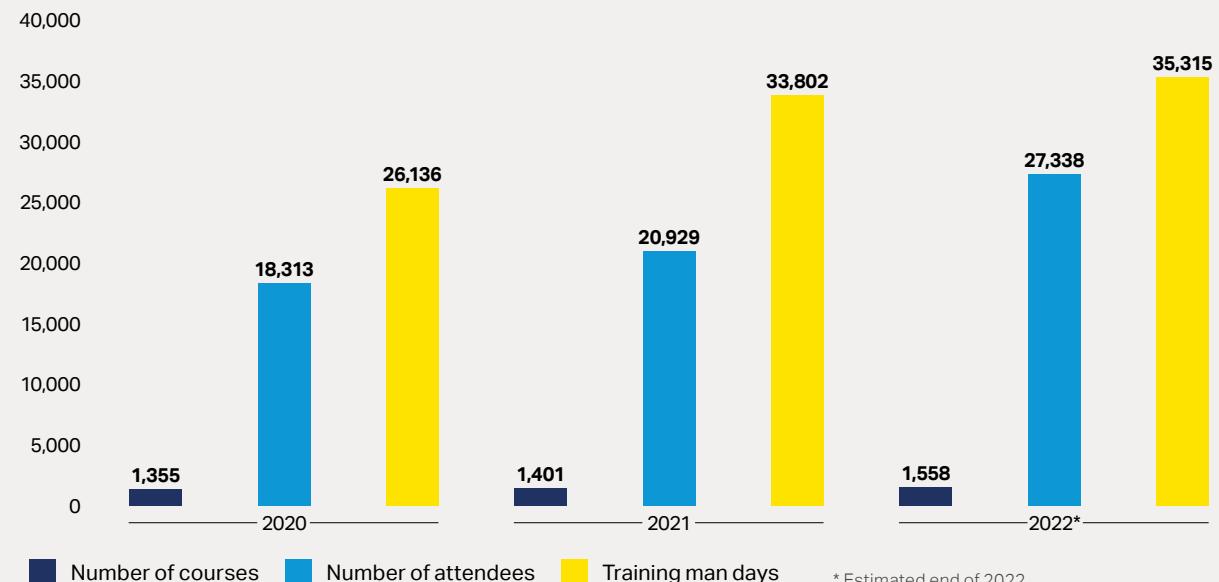
Having developed our facilities even further, we are now qualified to deliver other extended training (internally and externally), including Rescue from Heights, H2S Rescue, Confined Space Rescue, Hazard Communications and Chemical Safety courses.

We conducted an in-depth 'Train the Trainer' program for the 'Rescue from Height' course for 12 employees, including six DTC Instructors and six Field Safety Engineers. These newly certified trainers are now able to conduct internal training for other ADNOC Drilling employees on this important topic.

### Training Growth

In order to measure the growth of DTC and track the involvement of ADNOC Drilling employees, we have specific KPIs, predominantly target figures for the number of courses, the number of attendees and the number of man training days. Year-on-year, the results have been outstanding, both in terms of figures and the breadth of the training and development courses we provide.

Overall training numbers in ADNOC Drilling, utilizing DTC.



Overall training numbers in ADNOC Drilling, utilizing DTC and third parties are:

Learning Records in Number*	Training Sessions	Training Man Hours	Training Man Days	OJT Records
	2,722	269,694	48,429	3,329

DTC has the capability to cover approximately 85% of mandatory and competency training via its internal resources. In 2022, DTC achieved 112% of the target to cover 1,380 courses, as per the uncertified list.

As of year-end 2022, DTC conducted 1,558 courses for 27,338 attendees totaling 35,315 Training Man Days.

## Workforce Diversity and Development

### Learning and Development continued



#### Training Accreditations

ADNOC Drilling Training Center has nationally and internationally recognized professional accreditations related to HSE and drilling, allowing the center to provide a development path for an individual's drilling and safety career. The accreditations include IADC, IWCF, OPITO, LEEA, AHA, NQA, ANSI, SQA, Highfields, American Safety and Health Institute and ACTVET.

#### Training for the Future

Our immediate goal for 2023 is to develop and deliver additional HSE Management System courses, as per the approved 2022 Training Matrix. In the longer term, DTC aims to implement 90% of our 60+ courses, supporting approximately 85% of mandatory and competency training by 2025. This aligns with the organizational strategy to update rig activity 2020-2030. In addition, we aim to continue to improve and create value for the organization, with a goal to deliver 5% cost savings on DTC operations in the year ahead.

Center Accreditations	Year Awarded
International Association of Drilling Contractors – (IADC)	2012
Abu Dhabi Center for Technical and Vocational Education and Training – (ACTVET)	2017
International Well Control Forum, (IWCF) L2, L3 and L4	2017
Offshore Petroleum Industry Training Organization – (OPITO)	2017
IWCF Well Intervention	2018
Highfields	2019
Lifting Equipment Engineers Association – (LEEA)	2019
American Heart Association – (AHA)	2021
Virtual Classroom and Remote Assessment Center Accreditation	2021
American Safety and Health Institute	2021
Stuck Pipe Prevention – (IADC)	2022
National Qualification Center – (NQC)	2022
OPITO Approved Authorized Gas Tester	New accreditation in process

## Workforce Diversity and Development

### Diversity and Equal Opportunity

As a progressive, fair and ethical company, ADNOC Drilling is committed to diversity in all its forms. Throughout our history, we have always encouraged a multicultural and multiracial workforce with a positive representation of women and people of determination.

Our philosophy of equal opportunity is a doctrine we follow and a policy we uphold with pride, including our Gender Balance Committee. The Gender Balance Committee is dedicated to supporting women in both their roles and recruitment at all levels.

As an employer of choice, ADNOC Drilling has a workforce of more than **79 nationalities** who enjoy a culture of respect, reward and recognition.

Many of these employees have been part of the ADNOC Drilling family for many years, thanks to our minimal turnover, despite a high demand for drilling crew. Not only do we retain our teams, as the Company experiences a rapid growth path, we have many more joining us, including new staff from 39 different nations in 2022 alone.

As we continue to address our gender balance and inspire more women to join ADNOC Drilling, 22 female candidates joined us in 2022.

Out of our 6,598 (direct-hire) employees, an outstanding 2,296 received promotions and upgrades and a further 4,089 were recognized for their efforts, results and teamwork by the ADNOC Way Recognition Platform.

Primarily, our goals for 2023 will be to further strengthen our support for diversity by expanding our recruitment to new regions and ensure more female candidates are provided with job opportunities in supervisory and technical roles.

### Our Diversified Culture

Number of UAE nationals

**1,636**

Employee retention

**98.8%**

Employee promotions

**2,296**

Employee recognitions

**4,089**

Nationalities of new recruits

**39**

New female recruits

**22**

Nationalities

**79**



## Health, Safety and Security

### Health and Safety Management

The health, safety and security of all people involved in our operations is our number one priority and a crucial factor in the success of ADNOC Drilling. Our commitment to 100% HSE is first and foremost as we strive to keep employees, communities, the environment and our assets safe from harm. Through consistent monitoring, analysis, assessment, training and technology, we strive for hurt-free operations.

ADNOC Drilling is committed to the highest standards of HSE excellence by protecting our people, communities and the environment, ensuring effective security and business continuity measures; and following sustainable business practices. ADNOC Drilling follows ADNOC unified HSE Policy. This policy is consistently reviewed and revised in line with global standards and is managed at board level, with additional management committees and specific HSE Committees, who support the strategic development and management of health and safety risks.

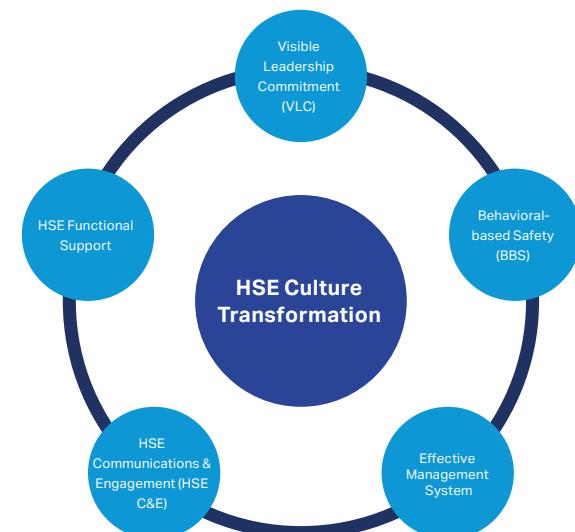
As we continue to strive for an incident-free organization, it is imperative that we collaborate and communicate with our people and raise awareness of potential risks and hazards. Additionally, we must encourage ownership of the specific guidelines we have in place to ensure our ongoing responsibility to organizational and personal health and safety.

Further, in 2022, we have implemented ADNOC's unified HSE Recognition and Accountability Framework.

#### HSE Culture Transformation

As HSE in our industry continually evolves, we must invest in forward-looking innovations. Our HSE Culture Transformation Program is designed to significantly reduce incidents, including five underlying core elements to achieve the desired change in the hearts, minds and skills of the workforce.

In 2022, ADNOC Drilling implemented HSE Culture Transformation Program across the company.



#### Recognition and HSE Awards

Recognizing and celebrating people's achievements and contribution is a significant element of our employee engagement program. We strive to keep our people positively engaged and inspired as well as elevate the level of satisfaction among all stakeholders.

**Recognition:** To foster a culture of care and being appreciative of people's valuable contributions, the CEO and members of the Executive Management recognized employees who played a key role during the 2022 by promoting and demonstrating safe behavior through utilization of the HSE proactive tools.

#### HSE Awards schedule for the year:

Awards	Frequency	Awarding Body
100% HSE significant contribution	1 per month for Directors, CEOs, SVPs, VPs 1 per week for site	Directors, CEOs SVPs, VPs (at HQ and site)
100% HSE Observation	2 per month per site	Drilling Team Manager (DTM)
100% HSE Driver	1 per quarter per site	Drilling Team Manager (DTM)
100% HSE Champion	1 per quarter per site	Drilling Team Manager (DTM)
100% HSE Annual Champion (Employee)	Once per year per site	VP/Line Endorsement Corporate HSE/Committee review and approval
100% HSE Annual Champion (Supervisor)	Once per year per site	Executive Leadership approval

#### HSE standards and management

HSE policies and standards are the foundation of our commitment to "Pursuing no harm to people and the community." They are aligned with local and federal laws and regulations, as well as international best practices regarding governance, technical safety, loss prevention, operational safety, process safety and transportation safety.

- HSE Governance and Administration
- Environment
- Occupational Health
- Operations Safety
- HSE Risk Management
- Crisis Management and Emergency Response
- Asset Integrity Process Safety Management Manual
- Business Continuity Management System Standard

## Health, Safety and Security

### Health and Safety Management continued

Our HSE Management System, implemented across all facilities and operations, covers health, safety and environmental principles and objectives, continuously monitoring our performance in order to improve our necessary safeguards. The system provides a framework for setting objectives, expectations, legal and industry requirements and establishes the methods to eliminate hazards and reduce risks.

#### Results-driven HSE

In 2022, we achieved recertification audits for ISO 9001, 14001, 45001 and 29001 and a year of significant new benchmarks, including scoring 99% in the e-Work Management System (WMS), one of the highest across all group companies.

ISO 9001:2015 – Quality Management System  
 ISO 14001:2015 – Environmental Management System  
 ISO 45001:2018 – Occupational Health and Safety Management System  
 ISO 29001:020 – Petroleum, petrochemical and natural gas industries: Sector-specific Quality Management Systems

We also initiated the Supply Chain Management Resilience Survey with ADNOC Drilling Critical Suppliers and implemented drilling data analysis and learning. In addition, we conducted quarterly leadership site visits with a specific focus on Asset Integrity Process Safety along with 65 high profile management field visits, in line with the 2022 annual HSE plan.

**Drops Survey:** The aim of Drops is the prevention of dropped object-related incidents by acting as a focus for dropped object prevention best practices and their promulgation throughout our operations and management.

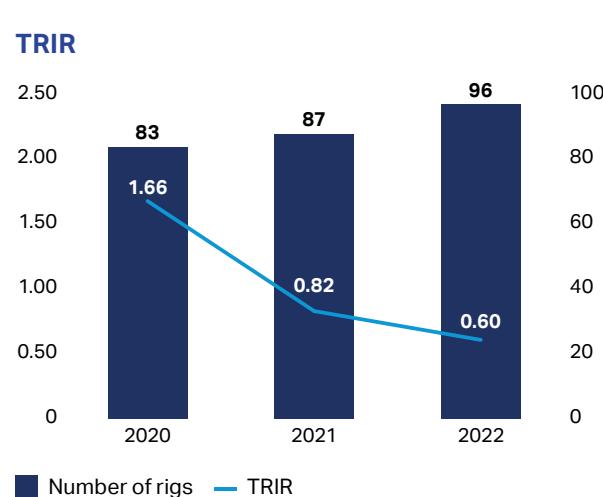
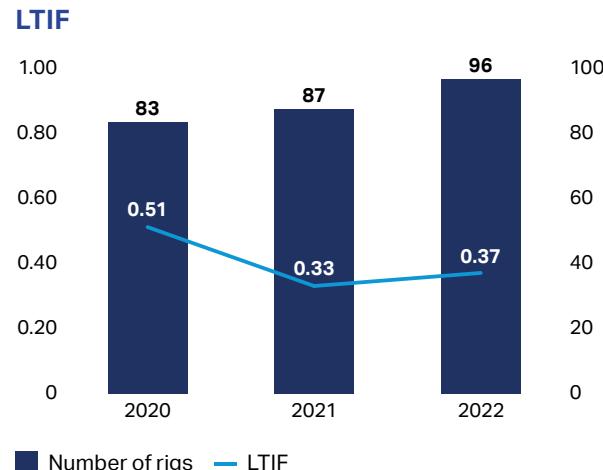
ADNOC Drilling is committed to preventing potential dropped objects by conducting regular surveys and rectification works in accordance with the best practices. This results in better safety norms as well as cost reduction in comparison to the implications when someone is injured or when properties are damaged by falling objects.

Drops Quality	%
Land	90
Offshore (Jack-up)	100
Offshore (Island)	100

At ADNOC Drilling during 2022, there were four fatal incidents involving two direct-hire employees and two sub-contractors. These regrettable incidents have led ADNOC Drilling to further strengthen its commitment to achieve zero hurts in its operations. Safety underpins the business and the safety of ADNOC Drilling's people has and always will be the number one priority. These incidents have been thoroughly investigated and the root cause analysis has been instrumental in updating policies and procedures to ensure the organization learns and eradicates any similar future incidents.

Several of the programs adopted following these incidents include, but are not limited to, maximizing leadership visibility and engagement with all crews, the introduction of robust assurance programs driving operational compliance. As well as implementing new leading indicators to strengthen safety culture across the fleet and raise awareness of lessons learnt with crews.

The zero-hurts, zero- accident goal relates to all HSE matters and is the safety culture that ADNOC Drilling is fostering within its people as it continues to deliver safe and efficient operations for its customers.



### Common Worksite Hazards

#### Motion

What is moving? Could anything begin to move? Will people be moving on site? Vehicles? Could someone be trapped or crushed? Where are the pinch points?

#### Height

Who is working above you? Who is working below? Are there objects above that could fall? Are you using correct fall protection? Does the work involve climbing?

#### Fire & explosion

Where are nearby flammable materials? Where are the ignition sources? Are you sure that all hydrocarbons are properly isolated?

#### Toxics

What is the toxicity of the chemicals around you? Can the work you do change the air around you? Could your worksite be considered a confined space?

#### Pressure

Where are the pressure sources? What could cause pressure to be released? Have you checked if your work process creates pressure?

#### Electricity

Where are the electricity sources? Are any hidden? How could you contact them? Is isolation confirmed? Is static build-up possible? Are there overhead power lines?

#### Thermal

What are the hot/cold surfaces or products in your work area? Does your work generate heat or cold? How could a hot or cold environment affect your team?

#### People

Can everyone explain their role? Are communication channels clearly understood? Are there any personal problems within the team? Does the team have appropriate competencies?

### Life-saving Rules

#### Work Authorization

Work with a valid permit when required

#### Safe Mechanical Lifting

Plan lifting operations and control the area

#### Confined Space

Obtain authorization before entering a confined space

#### Toxic Gas

Follow rules for working in toxic gas environments

#### Energy Isolation

Verify isolation and zero energy before work begins

#### Driving

Follow safe driving rules

#### Bypassing Safety Controls

Obtain authorization before overriding or disabling safety controls

#### Line of Fire

Keep yourself and others out of the line of fire

#### Working at height

Protect yourself against a fall when working at height

#### Hot Work

Control flammables and ignition sources

## Health, Safety and Security

### Health and Safety Management continued

#### Celebrating ADNOC Safety Day across all sites and camps

ADNOC Drilling observed and celebrated ADNOC's safety Day on 27 July 2022. The theme of the Safety Day is 'Culture of CARE'; CARE stands for Care, Accountability, Recognition and Entrust, which will shape our behavior and attitude

enabling us to take our HSE culture transformation journey to the next level. The Day highlighted the importance of upholding our mandate of 100% HSE as safety leaders.

Further, the CEO Town hall at operating sites was organized following the ADNOC Safety Day at BAO on 28 July to ensure a deep understanding of these behaviors and reinforce

visibility and engagement with the highest level of leadership within our organization. The town hall was connected with other engagement sessions across different locations including Habshan Central camp, Madinat Zayed Central Camp, Asab Central Camp, Bu Hasa Central Camp, Tarif Central Camp, and all Onshore and Offshore rigs.

In 2022, we launched and successfully completed the following **10 HSE campaigns** (for direct-hire employees and contractors):

<b>Behavioral-based Safety</b>	Behavioral Based Safety (BBS) is a method of avoiding human error and improving workplace safety by observing and analyzing employee's behavior while they work.
<b>Line of Fire</b>	Being in the 'Line of Fire' is the cause of most accidents in our industry and it means being in harm's way. Ensure workers can identify typical 'Line of Fire' hazards found in their environment.
<b>Beat the Heat</b>	Launched annual unified Group-wide heat stress prevention campaign, which focused on awareness and safeguard measures against heat stress hazards during the period of April to October, 2022.
<b>Situational Awareness</b>	Situational Awareness is 'Knowing what is going on around you all the time'. Campaign aim is to develop proactive defense work habits that help workers to stay engaged and maintain focus all the time.
<b>Safe Mechanical Lifting</b>	Lifting operations is one of the most critical activities at worksites, which we need to focus on. Campaign will raise Safe Lifting Practices related risks awareness level for all field-based employees.
<b>Hand and Finger Safety</b>	Raise awareness of the common causes of pinch point injuries/areas/safe positioning. Re-enforce the effective and timely application of the STOP card.
<b>Road Safety</b>	All accidents are preventable, with the dedication, safety consciousness plus respecting ADNOC Drilling and UAE traffic rules and regulation will improve ADNOC Drilling Roads Safety Performance.
<b>Effective Management System</b>	Effective Management System (EMS) governs the majority of our day-to-day work and forms part of ADNOC Culture transformation strategy. It comprises of the Work Management System (WMS), Incident Management, Contractor Management, Critical Positions Competency, and Risk Assessment and Management.
<b>Sustainability Awareness</b>	The concern of sustainability is at the core of our operations, and we approach it with the same high consistency and accountability that we use to run our business and operations.
<b>Leadership</b>	Leadership site visits are a powerful opportunity to engage our people and contractors on safety, assess the effectiveness of our existing policies, and ensure compliance with our procedures. Demonstrating visible leadership promoting a culture where all employees share a mutual commitment to HSE.

### Safety in Numbers 2022

As a regional HSE leader in oil and gas, ADNOC Drilling's compliance and innovative approach to health and safety has resulted in a role-model record for management and prevention of well control incidents.

Rigs and facilities completed full year of operations without lost time injury

**82**

Rigs and facilities completed full year of operations without any hurt to any staff

**57**

External safety audits (by third-party) (includes Rig Moves, Drops, HSE cases, Noise FERA and HAZID)

**55**

Rig HSE Inspection Target for 2022

**85%**



Land rigs



Offshore island rigs

**90%**



Offshore jack-up rigs

**96%**



Facilities

**88%**

**82%**

## Health, Safety and Security

### Health and Safety Management

continued



#### Business Continuity Management (BCM)

ADNOC Drilling has developed and implemented a full-scale Business Continuity Management system, demonstrating a deep commitment to sustainability, business continuity and corporate resilience.

ADNOC Drilling started BCM activities at a full scale in 2019, building the capability to continue performing essential functions and services during and after an emergency, crisis or disaster that could have resulted in a business disruption. The company successfully completed four complete annual life cycles of BCM as per National Emergency Crisis and Disasters Management (NCEMA) and international standard (ISO 22302:2019).

The ADNOC Drilling Resilience Committee (ADRC), chaired by the CEO, was established in 2020 and meets regularly to ensure direct supervision and support of the management for all business continuity activities.

As the first integrated drilling company in the region to receive ISO 22301:2019 Business Continuity Management Systems certification, ADNOC Drilling reinforced its commitment to identify and manage possible risk, emergency, crisis and business disruption, reflecting the company's pioneering spirit and its quest for excellence.

We continuously update our Business impact analysis and as a result, robust business continuity strategies for mitigation, response and recovery were developed and implemented. As a systematic process these strategies are continuously reviewed by resilience committee to ensure organizational readiness for any adverse events.

To enhance the corporate resilience with respect to suppliers capabilities, we have successfully completed an internal project on supply chain management. To fulfil the planned objective related to this initiative, various sessions were conducted with our suppliers to provide insights on the importance of the BCM System and its relevance to the Supply Chain Management.

In addition, BCM system undergoing advanced automation using the RSA Archer GRC platform to conduct Business Impact Analysis (BIA) and develop business continuity plans (BCPs), enabling greater inter-departmental coordination. Frequent BCM-Crisis Management exercises at operational and administrative levels were conducted to identify any gaps for continuous improvements.

#### Emergency Response and Crisis Management

In managing crisis, it is essential that we define clear roles, responsibilities and requirements across the company. This entails crisis prevention; crisis assessment; crisis handling; and crisis termination. The key priority is to be prepared for any crisis in advance and ensure a rapid response, maintaining clear lines of reporting and communication. ADNOC Drilling has a defined and established system in place for conducting emergency response drills and large-scale crisis management drills, in alignment with clients' practices and ADNOC crisis management procedures.

#### 2022 key highlights include:

- Successfully conducted large-scale BCM-crisis management exercises in Bida Al Oshaneh Base (BAOB), involving Tactical Response Teams (TRT), ADNOC Drilling Emergency Support Teams (EST) and Crisis Management Teams (CMT)
- Reviewed and updated ADNOC Drilling crisis management plan as per the latest ADNOC standard for emergency response and crisis management
- Implementing a technologically advanced crisis management automated system
- Developed simplified emergency response guidelines to enhance TRT intervention timing and response towards any emergencies
- Upgraded Incident Command Center (ICC)

## Health, Safety and Security

### Health and Safety Management continued

#### Occupational Health

##### Management of COVID-19 Pandemic in ADNOC Drilling in 2022

We continued to manage COVID-19 at ADNOC Drilling to protect the health and wellbeing of our employees and contractors and to ensure business continuity. We adopted a 360-degree approach to curb the challenges of the pandemic, maintaining the same high-quality services to our clients and ADNOC.

Measures included working from home when appropriate, social distancing, personal hygiene and scheduled PCR testing across the organization, offices, sites and Head Office. Each positive case was recorded and actioned as per Ministry of Health and ADNOC standard protocols. We also created country and customer-wide business continuity plans. The ADNOC Drilling Health Advisory Committee and COVID-19 Emergency Support Team continued scheduled and ad-hoc meetings throughout.

#### Prevention of ill health and promotion of health and wellbeing

We commenced our Occupational Health Risk Assessment (OHRA) project in collaboration with third-party consultants and will implement ADNOC HSE-OH standards in line with the mandate to promote and maintain good health and wellbeing among our employees and contractors.

In order to raise awareness of other potential health risks, we launched the 2022 Beat the Heat Campaign and launched the Fatigue Risk Management Campaign. These initiatives will continue in 2023.

#### Contractors' health and wellbeing across the site's accommodations:

ADNOC Drilling equally respect and value contractors' health and wellbeing with its operating values and cultural attributes. Almost all our contractors working at our rigs and facilities stay at our camps across the sites. They are equally treated exactly like our employees in terms of our medical, occupational health and wellbeing aspects and benefit from all facilities. ADNOC Drilling serve effective and efficient approaches to promote and protect the health and safety of our contractors.

The contractors' manpower framework agreements address:

- All the aspects for protection and promotion of the health of workers by preventing and controlling occupational diseases and injuries, by eliminating occupational factors and conditions hazardous to health and safety at work.
- The development and promotion of healthy and safe work, work environments and work organizations.
- The enhancement of the physical, mental and social wellbeing and support for the development and maintenance of their working capacity, as well as professional and social development at work.
- Enabling workers to conduct socially and economically productive lives and to contribute positively to sustainable development.

#### Health Benefits for our Employees

ADNOC Drilling ensures that all our workforce (direct-hired employees, contractors and sub-contractors) have comprehensive health insurance. All the employees undergo pre-employment and periodic medical check-ups in line with the ADNOC Medical Fitness Guidelines and are followed up according to the results of these medical check-ups. Comprehensive Systems of Health Screening and Health Surveillance have been initiated in 2022 and shall remain ongoing in line with the ADNOC HSE Standards.

#### 2023 Outlook (Health and Safety)

As we look ahead to 2023, our primary goals are to build upon the robust HSE culture we have in place, introduce new practices and raise understanding and awareness of health and safety issues.

In line with this strategy, we will develop and implement the Senior HSE Academy for Rig Leadership Teams and aim to achieve 100% implementation of the HSE plan for all new rigs. With regards to our third-party partners, we will introduce Behavior-based Safety Systems for ADNOC Drilling Contractors. On a broader scale, and to achieve synchronicity within the Group companies, we intend to align ADNOC Drilling training practices and procedures with the ADNOC unified training matrix.

We are acutely aware that mental health challenges can be as damaging to any workforce. Accordingly, to ensure that our employees are cared for in all aspects of their work, we will implement mental health and wellbeing programs.



## Health, Safety and Security

### Security Practices and Asset Integrity Management

ADNOC is responsible for managing the security practices of ADNOC Drilling and all Group companies.

ADNOC Drilling provides support in line with the ADNOC requirements, including security services provided by our General Services Division, such as:

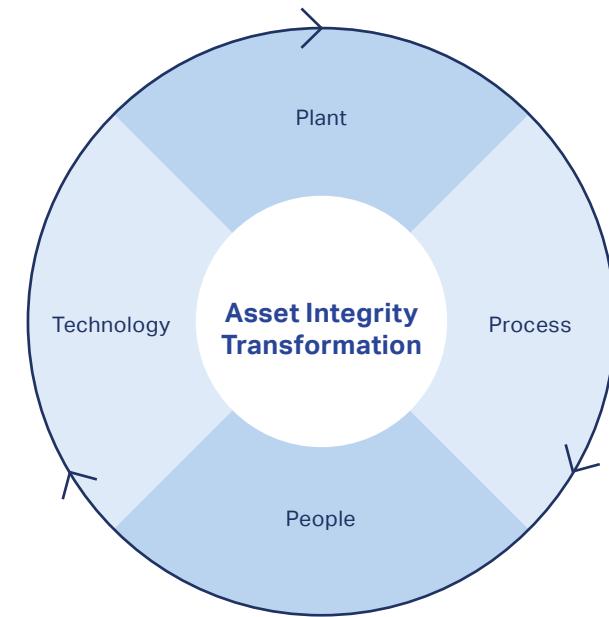
- Ensuring the implementation of ADNOC security procedures on site
- Ensuring the safety and security of our direct employees and contractors
- Assisting and providing smooth access to visitors
- Providing parking facilities for all employees, visitors and guests
- Scanning upon entry and exit and maintaining records of visitors, contractors and scanned items
- Overseeing temporary entry and work permit system
- Ensuring ADNOC HSE protocols are followed by in-house and outsourced contractors
- Assisting building employees during emergency situations
- 24/7 response to all employee queries and ensuring smooth operations within the building



#### Asset Integrity

Asset Integrity Management Systems (AIMS) ensure an asset runs effectively and accurately with the relevant resources in place to assure the performance of the asset's life cycle, while protecting the wellbeing of all personnel and equipment.

ADNOC Drilling follows UAE legislation, ADNOC guidelines, industry best practices and established policies to ensure that the integrity of ADNOC Drilling assets is always managed, while minimizing the risk of failure and optimizing the safety of personnel and protection of the environment.



Asset Integrity Management policies apply throughout design, construction, operations, maintenance and abandonment for all assets. The key priority is to maintain the functionality of Critical Equipment and Systems (HSECES) throughout the asset's lifecycle.

#### Certifications:

- ISO 55001:2014: Management of assets required for the operations of rigs, drilling equipment and maintenance equipment, both onshore and offshore.
- API Q1: Minimum Quality Management System requirement for organizations that manufacture products or provide manufacturing-related processes under a product specification for use in the petroleum and natural gas industry.
- API Q2: (in progress) Quality Management System requirement for service supply organizations for the petroleum and natural gas industries. This includes activities such as well construction, intervention, production and abandonment as well as repair, maintenance and configuration of service-related products.

## Economic and Social Contribution

### Economic Performance

ADNOC Drilling believes that the sustainability of our business is closely tied to our ability to generate economic value and protect the rights and privacy of our diverse stakeholders, while also ensuring that we have a positive impact on our partners, suppliers and people across the communities we operate in.

**Our expanding industry-leading fleet contributed to an excellent year for ADNOC Drilling, with significant net profit growth of 33% to \$802 million and revenue growth of 18%. Our increases in revenue, EBITDA and net profit are largely attributable to the Onshore and the Oilfield Services segment.**

In order to achieve the Company's primary objective to deliver optimum growth and maximum returns, our central focus is to meet robust financial targets. We have a sound process of planning and forecasting, along with our accelerated financial close process to make sure the various metrics of economic performance – direct economic value generated, economic value distributed, and economic value retained – are closely monitored. Subsequently, our economic performance is submitted in the form of monthly flash and forecast presentations to senior management and on a quarterly and yearly basis to the Board Executive Committee, Audit Committee and the Board, and the publishing on the website for our shareholders.

### Key Operational and Financial Highlights

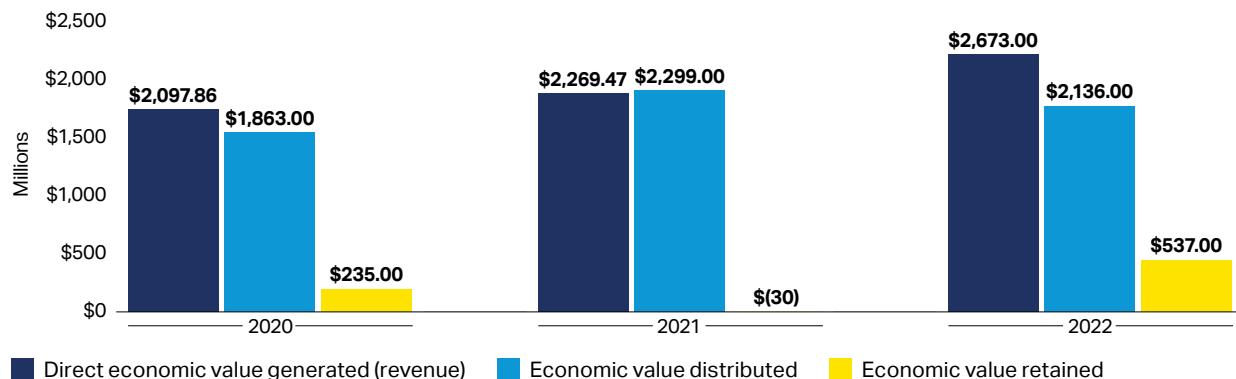
#### Operational

- Drilled the world's longest well
- 620 wells drilled totaling over 5.2 million feet
- 115 owned rigs at 95% utilization
- 39% IDS market share

#### Financial

- 18% EBITDA growth for FY2022
- \$2,673 million revenue at 18% year-on-year growth
- \$942 million capital investment during the year

### 2022 Performance



### 2022 Performance

Our economic performance is evaluated based on the primary metrics such as revenue, EBITDA, net profit, capital investment and working capital and in 2022 we are able to achieve all pre-determined targets.

Capital expenditure totaled \$942 million, in line with the acceleration of the rig fleet expansion program for Offshore Jack-up units. The significant number of new rigs entered the fleet in 2022 and we expect significant additional CAPEX spending into fiscal year 2023.

Working capital came in at 11.8% of revenue for the year ending December 31, 2022, the lowest level since the IPO and significantly down from peak of 36% in third quarter of 2021 and from 26% at year ended December 31, 2021. We expect to further decrease working capital to reach our target of 10% –11% of annual revenue.

### 2023 Outlook

Based on the approved five-Year Budget and Business Plan, the following key objectives and initiatives are in place, and will be pursued throughout the year to achieve intended results and targets and will contribute to Economic performance.

#### Key revenue maximization initiatives:

- Acquisition of additional 23 Land rigs for long term utilization, with staggered deliveries in 2023-2024
- Acquisition of additional 10 Jack-up rigs, in addition to 10 already acquired and contracted, with staggered deliveries in 2023-2024
- Short-term rig requirements are planned to be met through rental rigs
- IDS Ramp-up plan from increasing rigs from 39 rigs currently to 50+ rigs in 2023
- OFS Mega tenders

#### Key OpEx maximization initiatives:

- Project Light Initiatives
- Project Optimal
- New Operating Philosophy

#### Key operational excellence initiatives:

- Rig move efficiency
- Major maintenance outage
- NPT reduction
- Performance Opportunity Time (POT) Reduction

## Economic and Social Contribution

### Responsible Procurement

ADNOC Drilling expects the highest ethical, economic, environmental and social practices, from our own employees as well as contractors, suppliers and partners.

All business partners must adhere to the ADNOC Drilling Supplier and Partner Code of Ethics and comply with all applicable laws and regulations. In addition, our third-party partners must ensure that their employees and subcontractors fully understand and comply with all aspects of the code.

In order to further ensure our partners are ethical and legal traders, our Integrity Due Diligence technology platform screens all third parties to identify any risks or inconsistencies. They are then managed via the ADNOC Commercial Directory portal, which maintains all registered and pre-qualified suppliers.

Potential new suppliers are subject to registration and a strict pre-qualification process before they are invited for any tenders. A detailed technical evaluation (that includes social and environmental parameters) is conducted before any contracts or agreements are entered into. Regular performance reviews are then implemented.

#### Material Management Progress

One of our major costing achievements in 2022 was the introduction of the Price Agreements with Vendor Managed Inventory (VMI), which not only reduces cost per item due to long-term agreements but also reduces the delivery time drastically. Prior to this, many suppliers did not have stock readily available. Under the VMI arrangement we have a fast, efficient service whilst also reducing our carbon footprint.

#### 2022 Performance

Our Key Point Indicators for last year revolved mainly around the Price Agreement Coverage of Materials, the objectives of the Vendor Managed Inventory and the strategic initiative of establishing four new VMI Long-Term Purchase Agreements.

The Price Agreement Coverage of Materials has fared better in comparison to previous years.

Improving our existing strategies and introducing new initiatives has brought significant benefits, resulting in cost savings for the year of AED193.11 million (USD52.62 million).

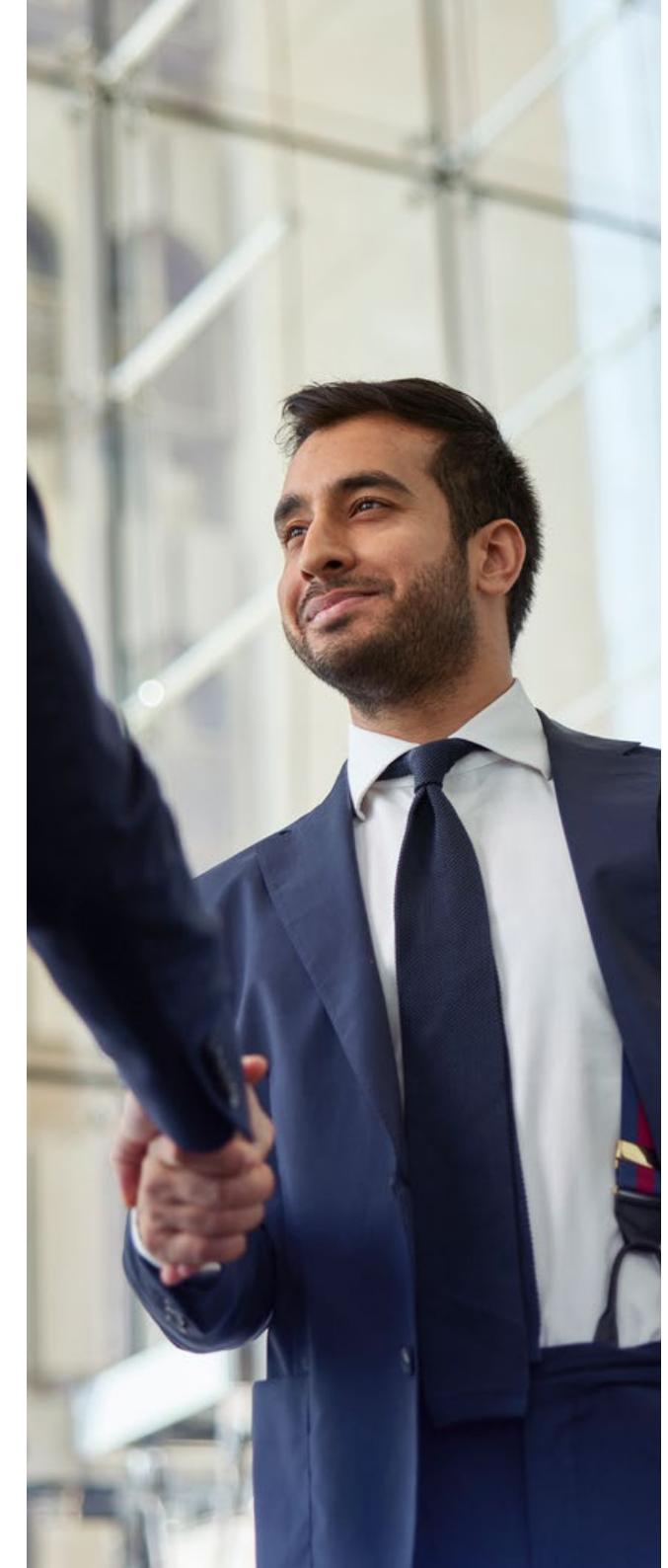
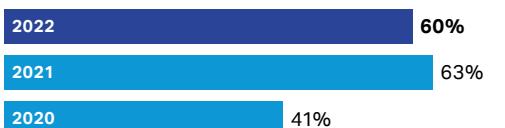
#### In-Country Value (ICV)

ADNOC Drilling is an active player contributing to the UAE efforts to support citizens with quality jobs and opportunities and year-on-year our ICV score has consistently risen, indicating that our approach and actions are aligned with the UAE government's objectives. **The current year ICV score stands at 90.41%.**

In our continued efforts to promote local procurement, we have achieved exceptional results through a firm commitment to Emiratization and our continuous support to the market, and our suppliers. 60% out of the total amount spent in 2022 has been returned back to the UAE economy.

Nearly all of our suppliers that are based within the UAE are ICV certified.

#### Percentage of total procurement value spent within the country



## Economic and Social Contribution

### Customer Privacy

ADNOC Drilling remains committed to protecting the privacy and rights of our customers and all our stakeholders. Across our operations, we apply our technologies, expertise and resources for ever greater cybersecurity and data protection.

#### ADNOC Drilling Digital

ADNOC Drilling's Digital Division is responsible for developing, maintaining and implementing IT applications, IT infrastructure, IT services, and IT planning and Governance.

We conducted Digital customer satisfaction surveys for the past three years, with a target of 80% satisfaction. The target was exceeded every year and showed a strong positive trend and reached 94.5% in 2022.

Customer Satisfaction Survey	
2020	89.23%
2021	92.37%
2022	94.50%



#### Cybersecurity

Customer privacy and confidentiality has always been a priority for ADNOC Drilling. Our security is already aligned with ADNOC's Cybersecurity Management System Standard which, in turn, complies with the UAE Information Assurance Standard. It also aligns with the organization's business strategy, as well as international information security standards such as ISO 27001. We are confident and committed to protecting our customers' privacy and constantly develop the technology to give them a safe online experience.

Further, the Group Information Technology Policy Statement outlines our commitment to protecting its digital assets, and implementing effective information management, information security and risk management programs.

In order to maintain our standards, we ensure that all new employees and fresh recruits undergo an Information Security induction course and have undergone HSE audit actions closure, audited by ADNOC, Group Companies and Shareholders.

We also conducted cybersecurity awareness training programs for our executives, employees and third-party partners, which covered the following areas:

- Information Security and Classification
- Fraudulent Emails
- Mobile Security
- Password Security
- Best Practices for Working Remotely
- Social Media Security
- Phishing simulation

We continue to provide the most up-to-date security measures and worked with an external evaluator to review IT fraud risks, and their mitigating controls. It is also essential we keep our workforce engaged and updated with regards to our privacy standards and conducted Information Security Awareness across the company. In addition, we continuously seek end-users' acknowledgement while using our digital assets.

As a progressive and committed technology division we are certified for ISO 27001 and ISO 20000 information security and next year expect recertification of ISO 27001 for external auditing.

## Economic and Social Contribution

### Customer Privacy continued

#### Data Privacy

ADNOC Drilling has been using state of art cyber security technologies and tools to ensure data confidentiality, high availability and privacy. We have adopted zero trust network access architecture and only legitimate user have access to sensitive data. As far as data redundancy, high availability and backup is concerned, we have a Disaster recovery data center to evade any catastrophic disaster.

#### Case Study

##### Drilling Service Management System (DSMS): Digitizing Drilling Process using Low-code Powered Solution

In 2022, ADNOC Drilling advanced its commitment to implement advanced technology and innovation by launching the Drilling Services Management System. The DSMS is a customized app that stores and organizes data gathered from the complete drilling cycle of a well, improving the quality and efficiency of our services. The system includes eight applications that interact together as one platform, supporting the operational needs of the Drilling Services Division (DSD), within Oilfield Services (OFS).

Further, having a single platform to monitor integrated drilling operations opens the door for the interaction between different product lines as well as sub-divisions, which will enhance productivity, efficiency and customer satisfaction.

All these applications automate DSD operational processes, which include contract review, scope of work, well planning and design, base and location preparation prior to commencing drilling operations.

This is our unified approach to collate core daily business operational activities at one platform.

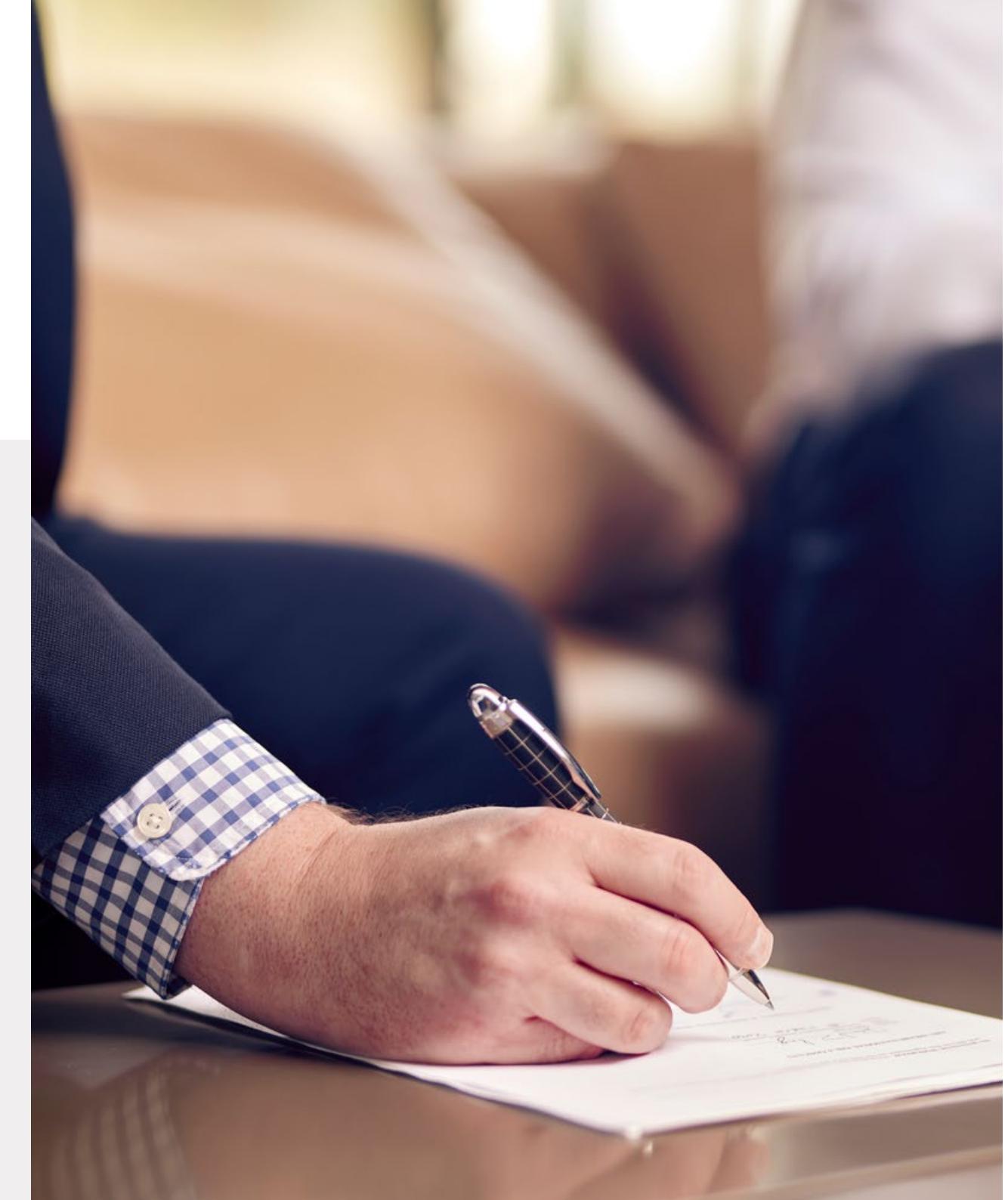
#### Case Study

##### Drilling Fluids Software

In 2022, we acquired software to enhance the automatization of calculations in the Drilling Fluids Program (DFP). This software will improve efficiency, optimize the process time and improve the service delivery to the client.

In line with other major players of Drilling Fluids (DF) that have acquired their own DF software, this initiative will enhance our competitiveness in the market and allow us to better respond to client requirements.

We will implement the program in 2023, which will improve the efficiency of our business operational activities.



## Economic and Social Contribution Community Engagement

ADNOC Drilling is a staunch, active supporter of the UAE's socio-economic development through our Corporate Social Responsibility (CSR) programs and in line with ADNOC's CSR values. We believe that our community, environment and economy are at the heart of our responsibilities to society.

ADNOC Drilling is committed to giving back to our communities, not only by providing resources and hands-on support, but also by raising awareness about critical issues that affect us all. We believe that the next generation of community caretakers, the youth within our organization and society, are the greatest influencers and ambassadors to achieve those goals.

CSR activities are managed by our communications team who are responsible for planning, coordinating and delivering the CSR events and campaigns. Our progress in achieving our CSR objectives is reported regularly, captured in our internal Corporate Monthly Report (CMR), and reviewed by the Audit and Assurance division.

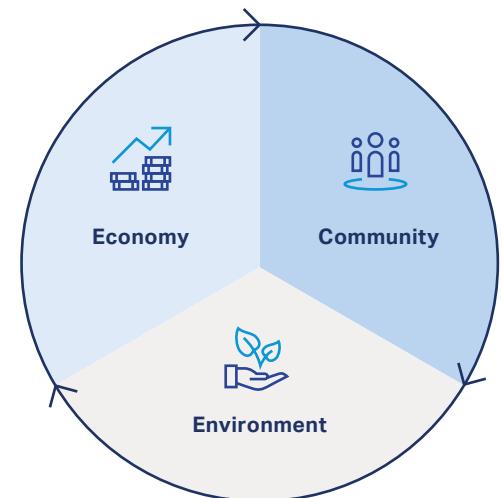
### Corporate Social Responsibility spend in 2022.

Our total expenditure on social development and related sponsorship projects for 2022 was approximately AED664,742.43, of which AED245,960.33 was in cash and AED418,782.10 was in-kind.

### Our CSR Objectives

In actively playing a part in local community welfare, the ADNOC Drilling brand is consistently associated with a responsible and committed organization that positively impacts society.

As a consequence, this comprehensive and dynamic CSR strategy helps us to build trust and goodwill with government agencies and strategic partners, with the potential to influence the success of our operational business.



## ADNOC Drilling Youth Committee (ADYC)

“

The UAE is committed to continually investing and developing youths, who are the bedrock of the UAE's future and are encouraged to multiply their efforts from 10x to 100x.

**Dr. Sultan Al Jaber**  
Group MD and CEO of ADNOC

Our Youth Committee members work together continuously to advance ADNOC Drilling's growth and create value for shareholders and the UAE. They are united by three pillars – **to connect, contribute and sustain**.

The 15 young leaders who make up the ADYC play important roles in the future of our business and inspire all employees across the company to be more creative and innovative as we focus our objectives on the Accelerate 100X agenda. ADYC seeks to drive value across the business through a range of exciting initiatives, connected to the Committee's theme for the year 2022-2023: 'Site Employee Engagement and Welfare.'

“

Sustainability is a growing priority in the UAE and being a responsible youth of ADNOC Drilling, I am committed to actively supports the development of our most valuable asset, our young people, to become the sustainability leaders of tomorrow and to raise awareness of the importance of sustainability locally and internationally.

**Dr. Sara Khalifa Abdulla Yousef Alsalmi**  
Chair – ADNOC Drilling Youth Committee

## Economic and Social Contribution

### Community Engagement continued

#### Community Engagement Projects and Initiatives

##### Initiative

###### I Warmer Winter for Site Employees

ADNOC Drilling's Youth Committee organized a donation drive at a labor camp in Abu Dhabi to distribute boxes of warm clothes to field staff who work outdoors during the winter months.

The 'Warm Winter' initiative provided purpose-bought clothes to field staff in the communities and encouraged colleagues and friends to play a part in voluntary and charitable work.



##### Initiative

###### I Ramadan Engagement

Under the initiative 'Get Ramadan Ready with Us', members of the ADNOC Drilling Youth Committee met with higher management and company catering, messenger and security staff to celebrate Ramadan and thank them for their great contributions to the company's overall performance. During the same campaign, the Youth Committee distributed boxes of Ramadan gifts to workers from BAO.



##### Initiative

###### I Zayed Agriculture Center for Development and Rehabilitation

The three-phased project in collaboration with Zayed Agriculture Center for Development and Rehabilitation began with a field visit, where employees met with people of determination and witnessed their active participation in various activities.

In the second phase, ADNOC Drilling sponsored Zayed Agriculture Center for Development and Rehabilitation's products. The event was celebrated during the Environment month celebrated, in June 2022.

While the upcoming third phase will see us sponsor Zayed Agriculture Center for Development and Rehabilitation products in other operating companies.

This project is inspired by ADNOC Drilling's vision to drive sustainability as a key factor in our business. In 2023, we aim to raise our CSR profile and instill a sense of environmental sustainability in our employees' attitudes.

## Economic and Social Contribution

### Community Engagement continued

“

ADNOC Drilling is encouraging holistic development of employees' skills in many ways, including the 'Sustainability Clicks Photography Contest'. By conducting this program, ADNOC Drilling motivates us to focus on and enhance our passions and capabilities. When I received the email about this contest from ADNOC Drilling Corporate Communications, I knew I had to take part and I'm proud to have won – my snapshot was greatly appreciated by my friends and rig. I would like to thank ADNOC Drilling and look forward to taking part again next year.

**Mohamed Riyazudheen**

Winner of Sustainability Clicks

#### Initiative

##### I Sustainability Clicks

Using an artistic message to the community, ADNOC Drilling's employees were invited to enter a photography competition under the theme of 'Environment and Sustainability.'



#### Initiative

##### I New BAOB Central Playground

To support the company's most valuable asset, our employees, ADNOC Drilling's Bida Al Oshaneh team built a new, central playground at the BAOB camp. Designed to promote a healthy lifestyle and develop interpersonal and cultural relationships, the playground includes a walkway, jogging track, football pitch, outdoor gym, cricket playground and volleyball court.

The initiative, launched at an opening ceremony attended by management, ADYC and the BAOB team, is set to improve employee wellbeing, reduce stress and create a positive environment that will enhance individual health and overall company's performance, in line with the company's broader commitment to sustainability.

#### Initiative

##### I Youth X HUB Visit

Members of the ADYC visited the Abu Dhabi Youth X Hub, a unique center that welcomes young people from all walks of life, including students, employees or entrepreneurs. The Hub is a platform to connect with other dynamic youth aged 15-35, bounce thoughts back and forth and brainstorm their ideas.

The visit was part of the committee's mission to connect with youth-supporting organizations, discuss the committee's achievements and understand the Youth X Hub's activities, which may be applied to develop the potential and skills of young ADNOC Drilling employees.

#### Initiative

##### I Blue Flag Beach Visit

Members of the Youth Committee visited the Corniche, Abu Dhabi, to understand the Blue Flag criteria and create awareness to enhance the beauty of the beach.

The iconic Blue Flag is one of the world's most recognized voluntary awards for beaches, marinas and sustainable boating tourism operators. In order to qualify for the Blue Flag, a series of stringent environmental, educational, safety and accessibility standards must be met and maintained. Abu Dhabi is the first Arab capital to join the program and earn Blue Flag status.





# Indices

## Contents

- 53 Index – GRI and ADX**
- 58 Data Performance Table**
- 64 Restatement**

## GRI Content Index

Statement of use	ADNOC Drilling has reported the information cited in this GRI content index for the period 1st January 2022 to 31st December 2022 with reference to the GRI Standards.		
GRI 1 used	GRI 1: Foundation 2021		
GRI Standard	Disclosure	Location	Omissions and Clarification
<strong>GRI 2: General Disclosures 2021</strong>			
	<strong>The Organization and its reporting practices</strong>		
2-1 Organizational details		03-04	
2-2 Entities included in the organization's sustainability reporting		-	Not applicable as ADNOC Drilling does not have any investments or subsidiaries relationship for preparing sustainability report.
2-3 Reporting period, frequency and contact point		01	
2-4 Restatements of information		64	
2-5 External assurance			External assurance was not obtained for this report.
<strong>Activities and workers</strong>			
2-6 Activities, value chain and other business relationships		03-04	
2-7 Employees		34-35	
2-8 Workers who are not employees		34-35	

GRI Standard	Disclosure	Location	Omissions and Clarification
<strong>Governance</strong>			
2-9 Governance structure and composition		14-17	
2-10 Nomination and selection of the highest governance body		19	
2-11 Chair of the highest governance body		19	
2-12 Role of the highest governance body in overseeing the management of impacts		19	
2-13 Delegation of responsibility for managing impacts		19	
2-14 Role of the highest governance body in sustainability reporting		18	
2-15 Conflicts of interest		14-20	
2-16 Communication of critical concerns		14-20	
2-17 Collective knowledge of the highest governance body		14-20	
2-18 Evaluation of the performance of the highest governance body		14-20	
2-19 Remuneration policies		14-20	
2-20 Process to determine remuneration		14-20	
2-21 Annual total compensation ratio		-	Covered in Governance section in the Annual Report 2022

## GRI Content Index

GRI Standard	Disclosure	Location	Omissions and Clarification	GRI Standard	Disclosure	Location	Omissions and Clarification
	<b>Strategy, policies and practices</b>						
	2-22 Statement on sustainable development strategy	08-10		GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	20	
	2-23 Policy commitments	08-10			205-2 Communication and training about anti-corruption policies and procedures	20	
	2-24 Embedding policy commitments	08-10			205-3 Confirmed incidents of corruption and actions taken	20	In the last 3 years, ADNOC Drilling has had zero incidents of corruption and zero legal action regarding anti-competitive behavior and violations
	2-25 Processes to remediate negative impacts	08-10					
	2-26 Mechanisms for seeking advice and raising concerns	08-10					
	2-27 Compliance with laws and regulations	01, 08-10					
	2-28 Membership associations	04, 06					
	<b>Stakeholder engagement</b>						
	2-29 Approach to stakeholder engagement	11		GRI 302: Energy 2016	302-1 Energy consumption within the organization	24	
	2-30 Collective bargaining agreements	–	Collective bargaining agreements are not permitted in the UAE		302-2 Energy consumption outside of the organization	24	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	10			302-3 Energy intensity	24	
	3-2 List of material topics	10			302-4 Reduction of energy consumption	22-24	
	3-3 Management of material topics	10			302-5 Reductions in energy requirements of products and services	22-24	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	45		GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	28-29	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	46			303-3 Water withdrawal	28-29	
					303-4 Water discharge	28-29	
					303-5 Water consumption	28-29	
				GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	32	
					304-3 Habitats protected or restored	32	

## GRI Content Index

GRI Standard	Disclosure	Location	Omissions and Clarification	GRI Standard	Disclosure	Location	Omissions and Clarification
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	22-23		GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	39-43	
	305-2 Energy indirect (Scope 2) GHG emissions	22-23			403-2 Hazard identification, risk assessment, and incident investigation	39-43	
	305-4 GHG emissions intensity	23			403-3 Occupational health services	43	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	23			403-4 Worker participation, consultation, and communication on occupational health and safety	39-43	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	30-31			403-5 Worker training on occupational health and safety	36-37, 39-43	
	306-2 Management of significant waste-related impacts	30-31			403-6 Promotion of worker health	39-43	
	306-3 Waste generated	30-31			403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	39-43	
	306-5 Waste directed to disposal	30-31			403-8 Workers covered by an occupational health and safety management system	39-43	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	61-62			403-9 Work-related injuries	39-43	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	34-38			403-10 Work-related ill health	43, 60, 61	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee				404-1 Average hours of training per year per employee	36-37	
	404-2 Programs for upgrading employee skills and transition assistance programs				404-2 Programs for upgrading employee skills and transition assistance programs	36-37	
	404-3 Percentage of employees receiving regular performance and career development reviews				404-3 Percentage of employees receiving regular performance and career development reviews	34-37	

## GRI Content Index

GRI Standard	Disclosure	Location	Omissions and Clarification
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	14, 58	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	14-17	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	Collective bargaining agreements are not permitted in the UAE. However, ADNOC Drilling manages its relationship with employees through various engagements as mentioned on page number 11.
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	44	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	49-51	
GRI 415: Public Policy 2016	415-1 Political contributions	-	No political parties in UAE

GRI Standard	Disclosure	Location	Omissions and Clarification
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	47-48	

Topics in the applicable GRI Sector Standards determined as not material	
Topic	Explanation
Board Oversight	The board oversight involves serving as a resource to the CEO for advice and guidance along with serving as a check and balance; a point of accountability to ensure achievement of board approved objectives for sustainability matters.

## ADX ESG Content

Statement of use	ADNOC drilling has reported the information cited in this ADX ESG Guidelines index for the period 1st January 2022 to 31st December 2022 aligned with ADX ESG requirements.		
ADX ESG Indicator	Disclosure	Location	Omissions and Clarification
Environment	E1 GHG Emissions	23	
	E2 Emissions Intensity	23	
	E3 Energy Usage	24	
	E4 Energy Intensity	24	
	E5 Energy Mix	24	
	E6 Water Usage	28	
	E7 Environmental Operations	25-27	
	E8 Environmental Oversight	25-27	
	E9 Environmental Oversight	25-27	
	E10 Climate Risk Mitigation	22-24	

ADX ESG Indicator	Disclosure	Location	Omissions and Clarification
Social	S1 CEO Pay Ratio	-	Covered in Governance section in the Annual Report 2022
	S2 Gender Pay Ratio	-	Approx we have gender pay ratio (female to male as 1:20)
	S3 Employee Turnover	62	
	S4 Gender Diversity	34-38	
	S5 Temporary Worker Ratio	34-38	
	S6 Non-Discrimination	14-17	
	S7 Injury Rate	40-41	
	S8 Global Health & Safety	39-43	
	S9 Child & Forced Labor	14-17	
	S10 Human Rights	14-17	
	S11 Nationalization	38	
	S12 Community Investment	49	
Governance	G1 Board Diversity	19	
	G2 Board Independence	19	
	G3 Incentivized Pay	39	We have incentive pay based on various indicators and the most important is Safety parameters.
	G4 Supplier Code of Conduct	14, 16	
	G5 Ethics & Prevention of Corruption	20	
	G6 Data Privacy	47-78	
	G7 Sustainability Reporting	01	
	G8 Disclosure Practices	01	
	G9 External Assurances	-	External Assurance was not obtained for this report.

Introduction

Sustainability

Governance

Environmental

Social

Indices

## Data Performance Table

Type	Unit of measure	2020	2021	2022
<b>Business Sustainability</b>				
<b>Board Diversity</b>				
Percentage of Board Seats Occupied by Females	%	29	29 (Pre-Listing) 14 (Post-Listing)	<b>14</b>
Percentage of Board Seats Occupied by Males	%	71	71 (Pre-Listing) 86 (Post-Listing)	<b>86</b>
<b>Compliance</b>				
Number of major legal and regulatory violations	#	0	0	<b>0</b>
Number of operations/business suspensions due to misconduct	#	0	0	<b>0</b>
Number of cases detected due to bribery or other legal incidents	#	0	0	<b>0</b>
Percentage of employees certifying compliance with ethics and anti-corruption policy	%	–	100	<b>100</b>
<b>Economic and Social Contribution</b>				
<b>Economic Performance</b>				
Direct economic value generated	USD Millions	2,097.86	2,269.47	<b>2673</b>
Economic value distributed	USD Millions	1863	2299	<b>2136</b>
Economic value retained	USD Millions	235	(30)	<b>537</b>
<b>Revenue Breakdown</b>				
Onshore	%	51	50.2	<b>54.4</b>

Type	Unit of measure	2020	2021	2022
Offshore – Island				
Offshore – Island	%	10	9.0	<b>7.6</b>
Offshore – Jack-up	%	28	26.3	<b>22.8</b>
Oil Field Services	%	10	14.5	<b>15.2</b>
<b>EBITDA proportion by business segments</b>				
Onshore	%	47.1	57.2	
Offshore – Island	%	12.2	9.8	
Offshore – Jack-up	%	33.9	26.7	
Oil Field Services	%	6.8	6.3	
<b>Proportion of spending on local suppliers</b>				
Percentage of total procurement value spent within the country	%	41	63	<b>60</b>
<b>Fleet</b>				
Onshore	#	63	65	<b>74</b>
Offshore – Island	#	10	10	<b>10</b>
Offshore – Jack-up	#	20	24	<b>31</b>
Rented Rigs	#	11	8	<b>6</b>
<b>Rig availability</b>				
Onshore	%	92	95	<b>94</b>
Offshore – Island	%	100	100	<b>100</b>
Offshore – Jack-up	%	100	98	<b>97</b>

## Data Performance Table

Type	Unit of measure	2020	2021	2022
<b>Rig Efficiency</b>				
Onshore	%	97	97	<b>93</b>
Offshore – Island	%	97	98	<b>95</b>
Offshore – Jack-up	%	92	94	<b>92</b>
<b>Number of wells drilled</b>				
Onshore	#	457	481	<b>528</b>
Offshore – Island	#	21	11	<b>27</b>
Offshore – Jack-up	#	15	57	<b>65</b>
<b>Environment</b>				
<b>Environment Compliance</b>				
Environment Compliance Violations	#	0	0	<b>0</b>
EMS ISO 14001 Audits	#	12	15	<b>20</b>
Environment Protection Expenditure	USD Millions	–	–	<b>11.081</b>
<b>Water Consumption</b>				
Total Water consumption from all areas	Million Liters	882	687	<b>837</b>

Type	Unit of measure	2020	2021	2022
<b>Water Withdrawal</b>				
Total withdrawal from round Water sources	Million Liters	219	367	477
Total withdrawal from Seawater sources	Million Liters	12,081	26,358	22,841
Total withdrawal from Third-Party Water sources	Million Liters	663	804	811
Total withdrawal	Million Liters	12,964	27,529	24,129
<b>Water Discharge</b>				
Total water discharged to seawater	Million Liters	12,082	26,358	23,291
<b>Climate, Emissions and Energy</b>				
<b>GHG Emissions</b>				
Gross direct (Scope 1) emissions	tCO <sub>2</sub> e	429,557	421,827	<b>534,361</b>
Gross location-based energy indirect (Scope 2) emissions	tCO <sub>2</sub> e	7,243	3,197	<b>403</b>
<i>Total emissions (scope 1 and Scope 2)</i>	tCO <sub>2</sub> e	436,800	425,024	<b>534,764</b>
Total GHG emissions per output scaling factor	tCO <sub>2</sub> e/Rig	3,280	3,339	<b>3,676</b>

## Data Performance Table

Type	Unit of measure	2020	2021	2022
<b>Climate, Emissions and Energy</b>				
<b>Energy Consumption</b>				
Total electricity consumption	MWH	7,095	7,011	<b>7,359</b>
Total fuel consumption within the organization	Million US Gallons	43	45	<b>50</b>
Energy intensity	GJ/Rig	42,536	43,300	<b>50,678</b>
<b>Health, Safety and Security</b>				
<b>Health and Safety Compliance</b>				
HSE Campaigns	#	7	10	<b>10</b>
ISO 45001 Audit (OHSAS 18001 Audits)	#	5	7	<b>7</b>
OH Inspection	#	5	0*	<b>11</b>
Occupational Illness/Diseases	#	2	0	<b>0</b>
Road safety and transport audits	#	10	11	<b>12</b>
Compliance with annual HSE drill plan	%	98	97	<b>98</b>
Number of HSE legal and regulatory violations	#	0	0	<b>0</b>

Type	Unit of measure	2020	2021	2022
<b>Health and Safety Performance</b>				
Corporate Total Recordable Incident Rate (TRIR)				
	YTD Frequency	1.66	0.82	<b>0.60</b>
Corporate Lost Time Incident Frequency (LTIF)	YTD Frequency	0.51	0.33	<b>0.37</b>
Catastrophic event	#	0	0	<b>0</b>
Fire/Smoke	#	11	6	<b>2</b>
External DROPS Survey on Rigs	#	14	29	<b>44</b>
Work related fatality (direct-hire employees)	#	0	1	<b>2</b>
Work related fatality (contractors)	#	0	0	<b>2</b>
<b>Employees (Direct Hire)</b>				
TRIR	YTD Frequency	1.64	0.90	<b>0.38</b>
LTIF	YTD Frequency	0.53	0.40	<b>0.25</b>
Fatality	#	0	1	<b>2</b>
Periodic Medical examination completed	%	-	-	<b>73.60</b>

(Periodic medical examination again started in 2022 after the ease of COVID-19 protocols)

(\*In 2021, due to Covid-19, we continuously monitored the occupational health services through standardized approach)

## Data Performance Table

Type	Unit of measure	2020	2021	2022
<b>For Contractors</b>				
TRIR	YTD Frequency	1.69	0.74	<b>0.85</b>
LTIF	YTD Frequency	0.48	0.26	<b>0.50</b>
Fatality	#	0	0	<b>2</b>
Contractors Performance Improvement	%	100	100	<b>100</b>
Periodic Medical examination completed	%	-	-	<b>70</b>
<b>Workforce Diversity and Development</b>				
<b>Employees</b>				
Female employees	#	173	179	<b>186</b>
Male employees	#	7,865	8,061	<b>8,858</b>
<i>Total number of employees</i>	<i>#</i>	<i>8,038</i>	<i>8,240</i>	<b><i>9,044</i></b>
<i>Total number of employees (direct hire)</i>	<i>#</i>	<i>6,466</i>	<i>6,567</i>	<b><i>6,598</i></b>
<i>Total number of contractors (part-time employees)</i>	<i>#</i>	<i>1,572</i>	<i>1,673</i>	<b><i>2,446</i></b>
Number of Nationalities	#	70	74	<b>79</b>
Number of employees with determination	#	6	6	<b>5</b>
<b>Emiratization</b>				
Total number of National Employees	#	1,619	1,608	<b>1,636</b>
Number of Employed Emirati Women	#	158	157	<b>154</b>

Type	Unit of measure	2020	2021	2022
<b>Employees by position</b>				
Middle level positions (Male)	#	311	308	<b>374</b>
Middle level positions (Female)	#	11	12	<b>15</b>
Entry-level positions (Male)	#	7,547	7,746	<b>8,477</b>
Entry-level positions (Female)	#	162	167	<b>170</b>
Senior and executive level positions (Male)	#	7	7	<b>7</b>
Senior and executive level positions (Female)	#	0	0	<b>1</b>
<b>Employees by age group</b>				
Number of employees in age group of 18-30	#	2,254	2,060	<b>2,392</b>
Number of employees in age group of 31-40	#	3,484	3,597	<b>3,739</b>
Number of employees in age group of 41-50	#	1,746	1,994	<b>2,295</b>
Number of employees in age group of 51-60	#	552	588	<b>616</b>
Number of employees in age group of 60+	#	2	1	<b>2</b>

## Data Performance Table

Type	Unit of measure	2020	2021	2022
<b>New hire by employment category</b>				
Senior management positions	#	0	0	<b>2</b>
Middle management positions	#	9	11	<b>46</b>
Staff (operational, professional, administrative)	#	403	357	<b>1337</b>
<b>New Hire by Gender</b>				
Female employees	#	19	6	<b>22</b>
Male employees	#	393	362	<b>1363</b>
<b>New Hire by Age Group</b>				
Number of new hires in age group of 18-30	#	96	56	<b>831</b>
Number of new hires in age group of 31-40	#	225	219	<b>370</b>
Number of new hires in age group of 41-50	#	88	84	<b>167</b>
Number of new hires in age group of 51-60	#	4	9	<b>17</b>

Type	Unit of measure	2020	2021	2022
<b>Turnover by employment category*</b>				
Senior management positions	#	0	0	<b>2</b>
Middle management positions	#	3	4	<b>26</b>
Staff (operational, professional, administrative)	#	59	81	<b>634</b>
Retired	#	42	34	<b>63</b>
<b>Turnover by gender</b>				
Female employees	#	1	2	<b>11</b>
Male employees	#	61	83	<b>651</b>
<b>Turnover by age group</b>				
Number of turnovers in age group of 18-30	#	7	9	<b>175</b>
Number of turnovers in age group of 31-40	#	32	29	<b>265</b>
Number of turnovers in age group of 41-50	#	20	26	<b>139</b>
Number of turnovers in age group of 51-60	#	3	11	<b>82</b>
Number of turnovers in age group of 60+	#	0	0	<b>1</b>

(\*Due to change in management and operational activities, there is change in turnover numbers)

## Data Performance Table

Type	Unit of measure	2020	2021	2022
<b>Training and Development</b>				
Average hours of training that the company has given to Males	Hours	35	29	<b>30</b>
Average hours of training that the company has given to Females	Hours	32	17	<b>10</b>
Average hours of training that the company has given to Senior-Management	Hours	14	36	<b>31</b>
Average hours of training that the company has given to Middle-Management	Hours	82	53	<b>40</b>
Average hours of training that the company has given to Staff (Professional, Operational and Administrative)	Hours	33	28	<b>29</b>
Drivers received driving and safety training	%	-	-	<b>100</b>
<b>Community Investment</b>				
Amount spent on CSR and community engagement programs	AED	-	-	<b>664,742</b>

## Restatement

Sustainability Report 2021		Restatement in Sustainability Report 2022
Page number	Statement	Restatement
<b>Page (iii)</b>	Above all, our more than 6,500 people from 90 countries are ADNOC Drilling's priority.	Above all, our more than 6,500 people from 74 countries are ADNOC Drilling priority.
<b>Page 52</b>	Change in economic value distributed and economic value retained in 2020 and 2021	The Correct numbers are available on page no. 58
<b>Page 03, 44 and 54</b>	Change in number of employees (direct hire) in 2020 and 2021  In 2021 report, we have provided in numbers for direct hire.	The correct numbers are available on page no. 61  In 2022 report, we have structured the data performance for employees and contractors.
<b>Page 54</b>	Change in average hours of training numbers	The correct numbers are available on page no. 63