



Sustainability Report 2021

Enabling the UAE's Ambitious
Oil and Gas Strategy

ADNOC Drilling



ADNOC Drilling



I am pleased to present ADNOC Drilling's 2021 Sustainability Report, focusing on the Company's environmental and social performance throughout the year.

When the late Sheikh Zayed bin Sultan Al Nahyan founded ADNOC nearly 50 years ago, he ushered in a new era of unprecedented growth and prosperity for the UAE. As ADNOC Drilling continues to enable ADNOC to deliver its ambitious 2030 growth plans, we are driven by Sheikh Zayed's unwavering commitment to environmental and social stewardship across our operations.

Wherever ADNOC Drilling works, we reinforce ADNOC's longstanding commitment to environmental and social stewardship. We advance ADNOC's 2030 target to reduce greenhouse gas (GHG) intensity by 25%. In the past 5 years alone, we have cut overall CO₂ emissions by nearly 130,000 tons and diesel consumption by 12 million gallons through energy efficiency initiatives.

We focus on technology-driven innovation to drive deeper efficiencies and responsible operatorship.

We use advanced, record-breaking horizontal and directional drilling methods, or cluster drilling techniques to drill more efficiently and continue to reduce our environmental footprint.

Using horizontal drilling, ADNOC Drilling continues to break records as we increase efficiency. In 2021, we broke our own record when we delivered the Middle East's longest well, measuring 45,297 feet. This eliminated the need to drill several vertical wells, reducing the impact on our unique marine environment.

Above all, our more than 6,500 people from 90 countries are ADNOC Drilling's priority. Adhering to the most rigorous HSE standards, our dedicated workforce met client needs during the global Covid-19 pandemic, continuing to find efficiencies to benefit customers and shareholders. Across the Company, we implement stringent HSE standards and best practices that lead us to achieve global HSE standards. Focused on the wellbeing of our onsite team members, we are proud of our relentless drive for hurt-free operations. We are proud that our safety record includes 21 years of LTI-free operations at onshore rig AD-17.

We invest in a locally trained, Emirati-led workforce. Almost 90% of our leadership positions are filled by UAE nationals. In 2021, our newest group of 17 women engineering and science recruits from local universities began their training in preparation for leadership roles. Since 2016, more than 1,000 Emirati recruits have graduated from our Drilling Training Center, some of whom have already advanced to leadership positions.

ADNOC Drilling looks forward to building on the successes of 2021 as we continue to safely and responsibly create value for the UAE and its people, as well as our shareholders.

Abdulrahman Abdulla Al Seirai
Chief Executive Officer

We invest in a locally trained, highly-skilled, Emirati-led workforce.



About this Report

ADNOC Drilling began its sustainability journey in 2010, and we are pleased to share our first Sustainability Report for the year 2021. We view reporting on our non-financial parameters as a means of communicating with all our stakeholders and providing insight into our Company strategy, governance, performance, and prospects.

Letter to the Stakeholders	ii
About this Report	01
2021 Performance Snapshot	02
Who We Are	04
Launching our new ESG Strategy	10
Our Sustainability Approach	12
Governance at ADNOC Drilling	18
Economic Contributions	26
Climate and Environmental Efforts	30
Social Contributions	38
Performance Data	52
GRI Content Index	56
ADX Guidelines Content Index	64

Our Methodology

This report builds on ADNOC Drilling's commitment to detail our sustainability performance and communicate our continued dedication towards delivering benefit for our stakeholders transparently and comprehensively.

Reporting Scope and Period

The information conveyed in this report highlights ADNOC Drilling's sustainability performance and initiatives within the UAE between 1 January and 31 December, 2021. We have aligned our material issues, identified through a stakeholder engagement exercise conducted in 2021, with relevant Environmental, Social & Governance (ESG) criteria. The reporting boundary for all our material topics discussed in this report is limited to ADNOC Drilling's operational boundaries, which are limited to the UAE.

Application of the GRI Standards and the ADX ESG Disclosure Guidance

ADNOC Drilling aligns with the ESG disclosure requirements outlined by the UAE Securities and Commodities Authority (SCA) through this annual Sustainability Report. This Report also incorporates the Abu Dhabi Securities Exchange (ADX) ESG guidelines, covering all 31 ESG Key Performance Indicators (KPIs), and duly addresses the United Nations Sustainable Development Goals (UN SDGs).

To substantiate our evolving duties towards ESG disclosure, this report is also developed in accordance with the Global Reporting Initiative (GRI) Standards (core option). As one of the most widely adopted sustainability reporting frameworks, the GRI allows ADNOC Drilling to reflect upon our ESG metrics with due consideration given to our operating model, reach and material issues. While this report has not been externally assured by an independent auditor, ADNOC Drilling may seek to obtain the same for future reports to enhance our data reliability and stakeholder confidence. Please refer to the indices at the end of the report, where ADNOC Drilling's disclosures are mapped.

Contact Details

ADNOC Drilling is committed to open, accountable, and respectful dialogue with each of our stakeholders as part of our commitment to offer sustainable value within the societies we serve. We encourage our stakeholders to share comments, queries, and general feedback:

Edward Senior, Vice President Group Strategic Investments (Investor Relations)
esenior@adnoc.ae

Alaina Ramsay, General Counsel Legal, Compliance and Governance Division
aramsay@adnoc.ae





2021 Performance Snapshot



Who We Are

ADNOC Drilling is the largest national drilling company in the Middle East by rig fleet size, with 99 owned rigs and a dedicated workforce of 6,532 engineers, specialists, and technicians, who contribute to maintaining ADNOC's status as one of the most efficient oil producers in the world.



Overview

We provide our customers with a full suite of drilling services, rig hire services and certain associated rig-related services, as well as oilfield services (such as Integrated Drilling Services (IDS), wireline, directional drilling, cementing, pressure pumping, logging and fluids, and hydraulic fracturing), in Abu Dhabi, UAE.

ADNOC Drilling was established in 1972 by an Emiri Decree as the National Drilling Company of Abu Dhabi and a wholly owned subsidiary of ADNOC. In 2018, we were reorganized, by virtue of Federal Law No. 21 of 2018 to become "ADNOC Drilling Company PJSC". This was part of an initiative to reorganize the company to improve efficiency and profitability. Following our reorganization, and as part of the initiative to improve efficiency and profitability, a strategic partnership with Baker Hughes, signed in 2018, paved the way for ADNOC Drilling to become the first provider of IDS in the region.

The strategic alliance with Baker Hughes added oilfield services equipment, services, technology and further manpower capabilities to our existing in-house rig rental and rig management capabilities.

In 2021, we further strengthened our strategic partnerships, entering into a new relationship with Helmerich & Payne (H&P) to improve operational resilience across ADNOC Drilling's land fleet and help enable regional growth, streamlined operations, a reduction in costs, and increased shareholder value.

Following our record listing on ADX on 3 October 2021, ADNOC Drilling is now 11% publicly traded, out of which 5% is held by Baker Hughes, 1% is held by H&P, and the balance held by ADNOC.

Our Vision

To harness energy resources in the service of our nation.



Our Mission

Through partnership, innovation, and a relentless focus on high performance and efficiency, to maximize the value of our energy resources.



Our association with ADNOC

ADNOC Drilling is a critical link in the ADNOC Upstream business, as ADNOC continues to move towards its oil production capacity target of 5 million barrels per day by 2030 and enabling gas self sufficiency for the UAE. ADNOC Drilling is strategically placed to continue to benefit from several competitive advantages, including being the sole provider of drilling hire services and associated rig-related services to ADNOC companies on agreed contractual terms for nearly 50 years.

Our Values



Collaborative

We work closely with our partners and peers, leveraging collective strengths to deliver mutually beneficial results. We strive to raise teamwork to a higher level, solve issues together, and innovate faster. By recognizing efforts and results, we build trust-based relationships, encourage information sharing, and deliver constructive feedback.



Efficient

We are a performance-driven company dedicated to maximizing the value of every barrel of oil for the benefit of our people, our community, our partners, and our nation. We also strive for excellence while minimizing wastage of resources. We take an energetic approach towards carrying out our responsibilities, look for continuous improvement, see projects through to completion, and inspire others to do the same.



Respectful

We encourage a culture of inclusivity and mutual respect, and always operate to the very highest professional and ethical standards. We look out for each other and promote open communication that supports our development as individuals and as an organization. We support constructive dialogue and active listening while respecting cultural diversity.



Progressive

We foster the UAE's spirit of innovation to ensure that our business remains at the forefront of the global energy industry. Daily, we go beyond business as usual, do things differently, and embrace new ways of thinking. Our culture empowers us to be change agents where we share creative ideas, overcome challenges together, and adapt to the evolving energy landscape quickly.



Responsible

We devote our efforts to making a positive difference in our community while maintaining an unwavering commitment to health, safety, and the environment. We take the initiative to identify new opportunities, honor our obligations, and stay responsible for our contributions. By adopting a 'can do' approach, we motivate each other, demonstrate a spirit of excellence, and achieve amazing results.

Our Strategic Pillars

ADNOC Drilling benefits from a unique and long-standing relationship with ADNOC whose overall ambition is to create value for the UAE. At ADNOC Drilling, we ensure close alignment with [ADNOC's strategic pillars: People, Profitability and Sustainability](#). These business pillars have defined objectives to harmonize with sustainable development.



People

ADNOC Drilling is home to 6,532 dedicated engineers, specialists, and technicians from 73 different countries. They make up our unique drilling family. Drilling operations are carried out in some of the harshest and most challenging environments across our onshore, offshore and artificial island divisions. Our frontline employees are skilled and trained to operate under the strictest safety regimes, to help ADNOC Drilling achieve our call '100% HSE' targets.



Profitability

ADNOC Drilling has an attractive financial profile with leading and resilient profitability margins, and we believe we are well positioned to achieve strong growth in both drilling and integrated drilling activities. We have an almost 50-year track record of strong operational performance, with an extensive footprint and well-developed drilling infrastructure in the UAE. This includes a high quality and well-maintained fleet whilst also leveraging smart drilling techniques and engineering solutions, building our capabilities so we can strive to be even more cost efficient as we drill more wells.



Sustainability

For nearly 50 years ADNOC Drilling has drilled wells to enable ADNOC to sustainably unlock Abu Dhabi's oil and gas wealth for the benefit of the nation. We have done so by reinforcing ADNOC's long-standing commitment to environmental and social stewardship across our areas of operation. As the largest national drilling company in the Middle East by rig fleet size, we are strongly committed to ESG principles, with environmental, social and governance matters fully integrated into our strategic objectives. ESG is at the core of our priorities and as the leading drilling services provider in the UAE, we are cognizant of our responsibility to encourage sustainable practices in our policies, operations, and communities. In our continued efforts to embed sustainability across our operations, we have introduced several initiatives and programs across ESG matters that are consolidated in this report.

Our strategy is enabled through 6 key areas:

1. Capitalize on ADNOC's plans to increase oil and gas production capacity
2. Become a regional leader in unconventional drilling
3. Achieve operational efficiency by optimizing well duration
4. Launch a major rig fleet expansion program to support Upstream growth plans
5. Pursue business expansion outside Abu Dhabi for rigs and services
6. Achieve 100% HSE and asset integrity

Our Business

ADNOC Drilling's operations are spread across the UAE and organized into 4 operational segments: Onshore, Offshore Jack-ups, Offshore Island and Oil Field Services (OFS). As of 31 December 2021, we have 549 wells drilled (Onshore 481, Offshore Jack-ups 57, Offshore Island 11) across the region.



Onshore Drilling

Our onshore segment is our largest segment, generating revenue of \$1,140 million, representing 50.24% of our total revenue, net profit of \$293 million, and 48.5% of our total net profit, for the year ending 31 December 2021.

We own and operate a fleet of 65 onshore rigs; with 97% rig efficiency. The Onshore segment is comprised of land drilling, completion, and workover services to ADNOC Onshore, ADNOC Sour Gas, Al Dhafra and other Abu Dhabi based customers in fields such as Bab, Bu Hasa, Dabbiyah, Sahil and Shah. Our onshore segment provides onshore rig rental and workover rigs, equipment and associated services and personnel. Such associated services include (but are not limited to) the provision of transportation for crew personnel, catering, diesel supply, rig move capabilities, accommodation and central camp management and construction.



Offshore Island

Our offshore island segment has generated revenue of \$204 million, representing 9% of total revenue, net profit of \$79 million, and 13.08% of total gross profit for the year ending 31 December 2021.

ADNOC Drilling's offshore island segment is comprised of artificial island drilling services, which include the provision of rental rigs, equipment, and island rig services, such as drilling rigs and workover rentals, the provision of transportation, catering, diesel supply, heavy vehicles, rig move capabilities, accommodation and central camp management and construction. We work with Abu Dhabi-based customers such as ADNOC Offshore and its associated partners (including ExxonMobil and ENI) in Upper Zakum and Sarb islands.

We own and operate a fleet of 10 island rigs, 9 rigs operate at 3,000 horsepower and the remaining rig operates at 2,500 horsepower. Additionally 7 out of 10 island rigs are fewer than 5 years old.



Offshore Jack-ups

The offshore jack-ups segment is our second largest segment, generating revenue of \$596 million, representing 26.26% of total revenue, net profit of \$206 million, and 34.1% of our total net profit, for the year ending 31 December 2021.

We own and operate a fleet of 24 jack-up rigs and 1 barge; 7 of these rigs are fewer than 5 years old. Our jack-up rigs are capable of drilling wells to maximum depths ranging from 18,000 to 30,000 feet and in maximum water depths ranging from 110 to 350 feet, depending on rig size, location, and outfitting. The majority of our jack-up rigs operate at 3,000 horsepower.



Oil Field Services

Our oilfield services segment generated revenue of \$329 million, representing 14.5% of total revenue, net profit of \$26 million, and 4.3% of total gross profit for the year ending 31 December 2021.

Thirty eight of our rigs performing IDS for ADNOC Onshore and ADNOC Offshore, covering almost 45% of market share in 2021.

Building on a Path of Expansion and Growth

At ADNOC Drilling, we are set on a path of expansion and growth that is built on nearly 50 years of reliable and robust performance as ADNOC's sole drilling partner. With plans to further grow our rig fleet, enhance services and expand domestic and regional operations, we continue to tirelessly refine the way we work, leveraging smart drilling techniques and engineering solutions and building our capabilities so we can be even more cost efficient as more wells are drilled.

Hydraulic Fracturing

Hydraulic fracturing, also known as fracture stimulation, is a crucial operation carried out by ADNOC Drilling in order to unlock the potential of ADNOC's unconventional energy resources.

Fracturing involves injecting tiny solids and/or specially formulated fluids underground under high pressures in order to 'crack' subsurface rock and increase hydrocarbon flow to the well. Based on the successful start of our fracturing operations, we plan to drill 100% of ADNOC's unconventional wells, including roughly 300 wells in the Ruwais Diyab concession area.

Advanced Rig Fleet

We own some of the most advanced onshore, offshore and island rigs in the world, and constantly adopt advanced technologies, digitalization, and innovative drilling techniques to drive performance, enhance drilling operations and improve well economics.

We have the largest fleet of rigs for a national drilling company in the region and we plan to acquire more rigs in the future. With plans to continuously expand our rig fleet, we are committed to investing in and maintaining the most modern and technologically innovative rigs in the world. These include the acquisition of rigs equipped with onboard digital systems that allow us to drill thousands more wells efficiently and competitively, helping us to strengthen ADNOC's position as a global leading low-cost crude oil producer.

IDS

ADNOC's strategic partnership with Baker Hughes in 2018 enabled ADNOC Drilling to become the first provider of IDS in the region.

This has allowed us to act as the sole interface with our customers to deliver start-to-finish drilling and well-construction services and enhance our project management and OFS capabilities. By optimizing our operations, leveraging combined expertise, and gaining access to leading technology solutions and advanced drilling techniques, we have succeeded in achieving lower production costs and higher efficiencies, while implementing improved safety measures.

Technology and Innovation

ADNOC's Real Time Monitoring Center (RTMC) is capable of simultaneously monitoring over 120 drilling sites and has contributed to enabling a 30% reduction in well duration over the past few years. We employ Integrity eXplorer™ (INTEX), an industry-exclusive sensor technology, that delivers data at the rig site to quickly resolve well integrity issues and has contributed to 30% savings in well logging time. Our Reservoir Characterization eXplorer (RCX) measures formation pressure and obtains clean fluid samples, saving many hours during operations. The MR Explorer™ (MREX™) is a 'best-in-class' Nuclear Magnetic Resonance (NMR) logging service that enhances hydrocarbon recovery and pinpoints the most profitable areas of the reserve to drill into. We use automated drilling systems that display data on an interface, providing our drillers with more control and an autopilot system that adjusts with well conditions.

Key Memberships



1. **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
2. **AD Centre for Technical and Vocational Education and Training:** Licensed training provider requirement that offers training and accredited national qualifications
3. **IWCF:** For drilling rig personnel with a requirement for mandatory IWCF certification
4. **Offshore Petroleum Industry Training Organization:** To provide OPITO-approved H₂S course
5. **IWCF Well Intervention:** For drilling rig personnel with a requirement for mandatory IWCF certification
6. **High Field:** To provide HACCP (Hazard Analysis Critical Control Point) course for food safety
7. **Lifting Equipment Engineers Association:** Quality assurance and guidance to meet required safety standards
8. **American Hearts Association:** First Aid Training
9. **Virtual Classroom Centre Accreditation from IWCF & IWCF Remote Assessment:** To adapt to the current Covid-19 situation and provide approved online training for rig personnel who required a mandatory IWCF certificate



Launching Our New ESG Strategy

Aligning our strategic priorities to create sustainable value for all our stakeholders – customers, employees, communities, and shareholders, ADNOC Drilling's ESG Strategy is built on 3 key pillars: Environment, Social and Governance.

Our ESG Strategy is in alignment with the Abu Dhabi Environment Vision 2030 and Abu Dhabi Economic Vision 2030 and has been developed based on a detailed stakeholder engagement and materiality assessment in line with Global Reporting Initiative (GRI) Standards.

ADNOC Drilling is committed to reducing our environmental footprint across our value chain and advancing ADNOC's 2030 Sustainability Strategy. The goals of the strategy are to: (i) decrease greenhouse gas intensity by 25% by 2030, (ii) improve In-Country Value (ICV) score across the complete value chain, (iii) limit freshwater consumption to below 0.5% of total water usage, (iv) ensuring welfare and development of all employees and (v) 25% of all technical positions to be filled by women by 2030.

ESG Criteria	Mission Statements
Environment	Managing risks and optimizing opportunities associated with climate change and mitigating environmental impacts across our operations.
Social	Supporting our people in their wellness and professional development, investing in, and creating opportunities for UAE nationals and creating long lasting positive socio-economic impact in the communities we operate in.
Governance	Maintaining strong governance of environmental and social performance and conducting our business and operations with the highest integrity, transparency and accountability standards.

Our ESG Strategy has been developed in line with ADNOC's 2030 Sustainability Strategy, setting out a comprehensive and holistic approach across the following 6 pillars:



Key Drivers

We are driven by our profound responsibility to protect the health and safety of our people, minimize the consumption of resources and control emissions to ensure a sustainable ecosystem for future generations. We are, and will remain, committed to the protection and enhancement of the environment through monitoring, reporting and continual improvement of our environmental performance across a range of areas including energy, material consumption, emissions, water consumption and waste management.

ADNOC Drilling fosters an inclusive culture and workforce diversity. Ensuring fairness, equality and diversity in recruiting, compensating, motivating, retaining, and promoting employees is essential to us.

Our Board of Directors is collectively responsible for the delivery of our strategy. The Board of Directors supervises the interests of stakeholders, the creation of a culture aimed at long-term value creation, the Audit and Assurance division and the effectiveness of internal risk management and control systems. Our management team is charged with day-to-day management and is responsible for the continuity and optimization of our business to create long-term value for ADNOC Drilling's stakeholders. In terms of ethics and compliance, we strive to conduct all business activities responsibly, efficiently, transparently, and with integrity and respect toward all stakeholders. In doing so, we promote a culture of performance, collaboration, and responsibility. These values underpin everything we do and defines the day-to-day attitudes and behaviors of our employees.

ADNOC Drilling understands that ESG performance is intrinsically linked to a more sustainable and profitable operating model for our shareholders.

We continue to build upon and improve our ESG commitments across the value chain.

Our key drivers:

1. [Sustainability Commitment to ADNOC and the UAE](#)
2. [Stakeholder Interests](#)
3. [Business Sustainability](#)
4. [Improving Operational Eco-Efficiencies](#)
5. [Regulatory Requirements](#)

Our Sustainability Approach

ADNOC Drilling is committed to raising awareness of our ESG issues and how they impact customers, investors, suppliers, contractors and other stakeholders.

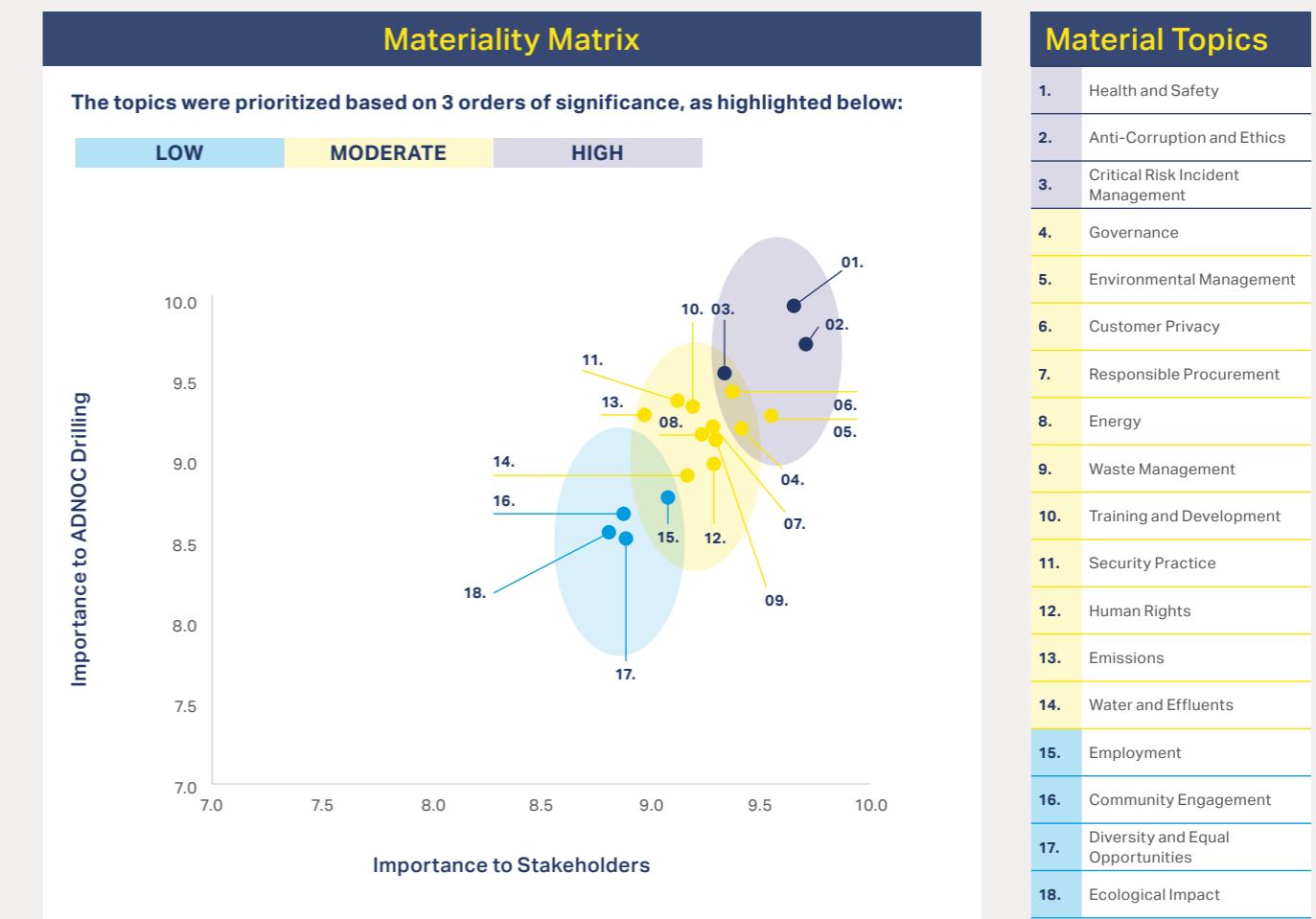


Materiality Assessment

In the reporting year, we have undertaken a detailed materiality assessment to prioritize the most material issues for ADNOC Drilling, including a market analysis evaluating the performance of our industry peers and ongoing engagement surveys with our internal and external stakeholders.



The purpose of the assessment was to establish key topics material to ADNOC Drilling's performance, environmental impact and social and governance eco-systems. We have identified 18 material topics as part of the materiality assessment.



Our Sustainability Approach

Crucial to developing an ESG culture within ADNOC Drilling is continuous dialogue with stakeholders. We continuously engage with stakeholders through meaningful consultation and collaboration.

Stakeholders relevant to ADNOC Drilling are individuals and organizations who have an interest, in or are affected, by our business decisions. These stakeholders are classified into internal or external categories, depending on the nature of the association with the organization. The leadership team, senior management, corporate employees, and managers are included in the internal stakeholder category, whereas regulatory bodies, suppliers, and contractors are included in the external stakeholder category.

Internal Stakeholder Engagement

Stakeholders	Importance to ADNOC Drilling
Board of Directors and Senior Management	<ul style="list-style-type: none"> ADNOC Drilling executive team and senior management regularly review, monitor, and discuss ESG issues. They hold the operational responsibility for ESG performance monitoring. They promote ESG to enhance economic capabilities and reputation of the organization.
Employees	<ul style="list-style-type: none"> ADNOC Drilling employees provide support and dedicate their energy to integrate the company's mission and vision to the business aspects and its operations. The commitment, and contribution of every employee is integral to the success of the company.
Workforce (Contractors)	<ul style="list-style-type: none"> ADNOC Drilling is aware that a motivated workforce will be able to support the company to realize its vision and values. ADNOC Drilling provides a fair, diverse, and respectful work environment as it implements globally accepted standards on occupational health and safety at all its sites.

External Stakeholder Engagement

Stakeholders	Importance to ADNOC Drilling
Regulatory Bodies	<ul style="list-style-type: none"> ADNOC Drilling demonstrates its responsibilities through developing and enhancing the company's transparency and accountability. They are committed to complying with all applicable rules and regulations. They strive to raise the standards and levels of corporate governance in line with the regional and global best practices.
Investors/Shareholders	<ul style="list-style-type: none"> ADNOC Drilling creates and maintains alliances with investors and shareholders to facilitate consistent growth and strategic positioning.
Contractors	<ul style="list-style-type: none"> ADNOC Drilling strengthens its partnerships with contractors (national and global) to meet the expectation of their customers.
Suppliers/Vendors	<ul style="list-style-type: none"> ADNOC Drilling creates and maintains long-term relationships with various suppliers and vendors to achieve its strategic goals.
Communities	<ul style="list-style-type: none"> ADNOC Drilling conducts a continuous community engagement process with all potentially impacted communities.

Our Sustainability Approach

Alignment with the United Nations Sustainable Development Goals

ADNOC Drilling intends to align its operations and activities with the UN SDGs. As an integral part of the oil and gas value chain, ADNOC Drilling is committed to doing business in a responsible and sustainable manner, acting with integrity and high standards of business ethics. In 2021, we identified key SDGs that are most relevant to the management of our operations or where the drilling business has a significant impact. While we do not undertake measurement or reporting against these goals, our wider approach, policies, and more detailed ESG objectives underpin our support towards achievement of these goals.

The table below maps relevant SDGs against our strategic ESG criteria and reflect our company's strategic sustainability commitments.

ESG Criteria		
Environment	Social	Governance
   	    	 
<ul style="list-style-type: none"> Continued commitment to the protection and enhancement of the environment through monitoring, reporting and continual improvement of our environmental performance across a range of areas, including energy, emissions, water consumption and waste management. 	<ul style="list-style-type: none"> Providing our people with a safe work environment that empowers and encourages them to achieve their maximum potential. Striving for 100% health and safety compliance across our operations. Investing in and creating opportunities for UAE nationals and creating positive socio-economic impact in the communities in which we operate. Fostering an inclusive work environment and improving workforce diversity with equal opportunities for all our employees. 	<ul style="list-style-type: none"> Striving for the highest standards of governance, ethics, and transparency. Maintaining strong governance for environment and social performance with key roles and responsibilities. Promoting a culture of performance, collaboration, and responsibility across all departments and work to ensure that business partners align with our ethics.



Governance at ADNOC Drilling

We believe that an organizational commitment to a strong governance structure can help drive enhanced management accountability, create value for shareholders, and protect the interests of all stakeholders and the communities we serve.

With ADNOC Drilling's highly experienced leadership, decades of operational excellence, strategic partnerships with international industry players and our position as the first national fully integrated OFS company in the Middle East, we are geared for a future of great possibilities, nationally and regionally. With this leadership role comes the responsibility to continuously develop and maintain our operational and governance excellence.

ESG Governance

At ADNOC Drilling, ESG principles are fully integrated into our strategic objectives. ESG is at the core of our priorities, and as the leading drilling services provider in the UAE, we are cognizant of our responsibility to encourage sustainable practices in our policies, operations, and communities. We have aligned our strategic priorities to create sustainable value for all our stakeholders—our customers, our employees, our communities, and our shareholders.

Effective ESG governance structures allow organizations to create impact and value, through innovation, development, and exploration, and provide accountability and control systems commensurate with the risks involved. In 2021, we established an ESG governance structure outlining key roles and responsibilities to manage and monitor ESG performance across our operations.

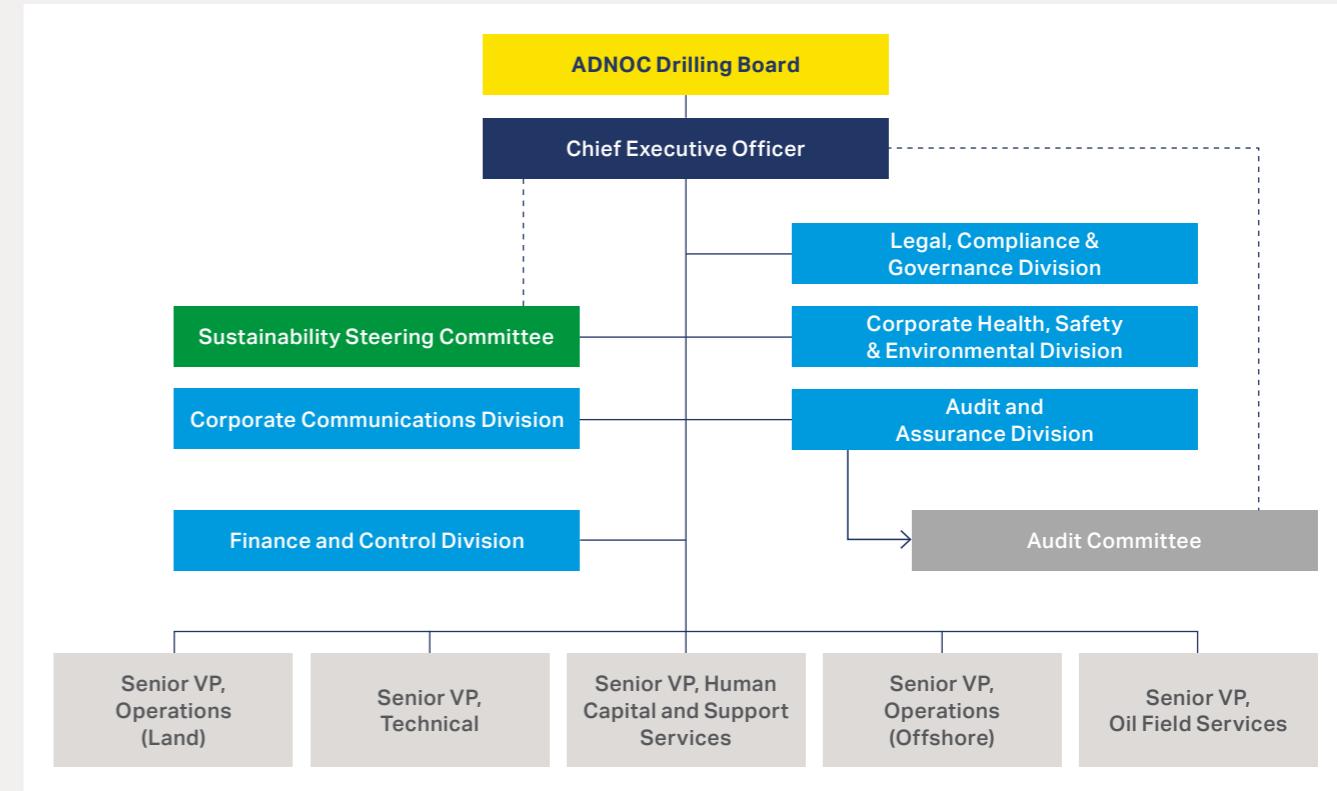
Executive Team Committee

Sustainability Steering Committee

Corporate Governance

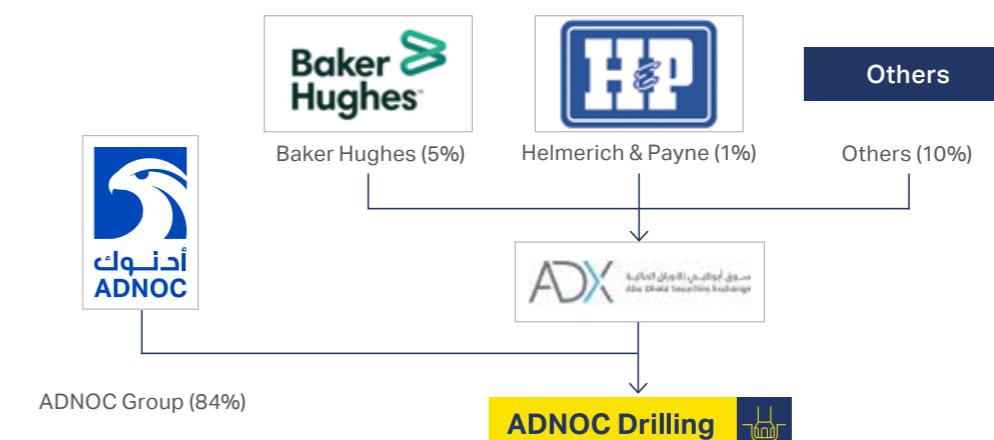
We have a corporate governance framework that fulfils all applicable laws and regulations while complying with international best practice. This framework was designed, and is being implemented, in line with our cultural values, to ensure the sustainability of our business and to help us achieve our prospects – as dictated by our vision and mission statements.

Below is the organizational chart of ADNOC Drilling:



Equity Overview

ADNOC Drilling became a public joint stock company in October 2021, when we listed 11% of our shares to institutional and individual investors on the ADX as part of an Initial Public Offering (IPO). The IPO included the formation of a strategic alliance and a cornerstone investment with drilling industry leader H&P.



Governance at ADNOC Drilling

Executive Management

H.E. Dr. Sultan Ahmed Al Jaber was appointed as the Chairperson of ADNOC Drilling's Board of Directors (Board) in October 2021. The Chairperson also serves as the Group CEO. Under the Delegation of Authority, and in consultation with the Board, our Chief Executive Officer has sub-delegated some of the powers given to him to members of our executive management team. Our executive management team is charged with day-to-day management and is responsible for the continuity and optimization of our business to create long-term value for our stakeholders, in line with international best practice and the relevant governance rules and regulations.

Board of Directors

Post ADNOC Drilling's listing, our Board of Directors comprises of 7 directors, where all are independent, non-executive directors. The Board of Directors are responsible for ADNOC Drilling's strategic direction, oversight, and corporate governance. The Board of Directors supervises the interests of stakeholders, the creation of a culture aimed at long-term value creation, the Internal Audit function, and the effectiveness of internal risk management and control systems.

Every Board Director will hold their position for a term of 3 years. At the end of each term, the Board of Directors will be reconstituted. Members of the Board are appointed by the shareholders. Board members may serve any number of consecutive terms, therefore a Board Director whose term of membership is completed may be re-elected.

Our Articles of Association requires that the Board of Directors meets a minimum of 4 times each year. In 2021, our Board met on 4 occasions.

Director's Competencies and Responsibilities

The principal duties of the Board is to provide ADNOC Drilling's strategic leadership, to determine our fundamental management policies and to oversee the performance of our business. 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.

Board Diversity

In all cases, the majority of the Board Directors, including the Chairperson, are UAE nationals as per the requirements of the Articles of Association. In keeping with our commitment to gender diversity, we are actively seeking opportunities to include female representation on our Board. To this end, where vacancies arise, we will actively seek out greater female representation while at the same time considering all qualified candidates, regardless of gender. In 2019 and 2020, the Board had 2 females (1 Baker Hughes and 1 ADNOC) out of 7 members. Currently, we have 1 female member on the Board of Directors, as well as diversity amongst our committees.

Board Diversity

	2019	2020	2021 (Pre-Listing)	2021 (Post-Listing)
Percentage of Board Seats Occupied by Females	29%	29%	29%	14%
Percentage of Board Seats Occupied by Males	71%	71%	71%	86%

Gender Diversity Standard

At ADNOC Drilling, we strive to promote gender diversity and translate the country's strategies into our day-to-day practices, which in turn feeds our drive for excellence and innovation.

ADNOC's leaders ensure that the 'tone-from-the-top' cascades through the organization, driving a culture of diversity through the Group, supported by structures and systems that ensure that women can develop their careers and move into higher management and leadership roles.

Board Performance

The UAE SCA Board Decision 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. Furthermore, the Board is required to undertake an externally facilitated evaluation every third year. The evaluation process supports the constructive improvement of the directors', sub-committees' and executive management overall performance and effectiveness, to maximize their strengths and take corrective actions where necessary.

Executive Compensation

Annual remuneration packages include performance-based incentives that are linked to performance on sustainability. The corporate objectives are linked to individual objectives of executives and their performance is evaluated semi-annually. The executive incentives are linked to their individual performance as well as the Company's.

Nomination and Remuneration Committee

ADNOC Drilling has established 3 sub-committees to the Board of Directors: Board Executive Committee, Audit Committee, and Nomination and Remuneration Committee. Introduced, in 2021, the Nomination and Remuneration Committee is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board and its sub-committees and, in particular, for monitoring the independent status of the independent non-executive directors. It is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board and committees of the Board and, in particular, for monitoring the independent status of the independent Non-Executive Directors. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as directors and sub-committee members as the need may arise.

In addition, ADNOC Drilling's Nomination and Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on our policy on executive remuneration, setting the over-arching principles, parameters and governance framework of our remuneration policy and determining

the individual remuneration and benefits package of each of our Executive Directors and senior management. The Committee is required to meet as frequently as required, but at least twice per year.

Business Ethics and Compliance

At ADNOC Drilling, we strive to conduct all business activities responsibly, efficiently, transparently, and with integrity and respect towards stakeholders. In doing so, we promote a culture of performance, collaboration, and responsibility. These values underpin everything we do and defines the day-to-day attitudes and behaviors of our employees. Integrity and ethics will always remain the foundation of business success.

Our core company values – Collaborative, Respectful, Responsible, Efficient and Progressive – are the bedrock of our philosophy and inspire and inform the way we conduct ourselves every day. They guide our decision making and ensure consistency in our actions and behaviors. They represent our collective commitment to set, achieve and exceed ambitious targets.

Code of Conduct

As a responsible business, we are committed to operating with integrity and maintaining the highest professional and ethical standards in every aspect of our business, and in line with our Code of Conduct and ADNOC values. Our Code of Conduct demonstrates ADNOC Drilling's commitment to compliance and ethical behavior in all that it does. Our Code of Conduct sets out the minimum standard of conduct that we expect from anyone working for or on behalf of ADNOC Drilling, and provides a set of basic rules and standards that are designed to ensure that our business is conducted in an ethical and compliant manner and in accordance with our core values.

Furthermore, our Supplier and Partner Code of Ethics sets out the minimum standard of ethical business practice we expect from any supplier or partner to any part of ADNOC. It sets out the basic rules and standards that are necessary to conduct ADNOC Drilling's business in an ethical and compliant manner and in accordance with the ADNOC's values. If a supplier or partner uses sub-contractors to undertake the business of ADNOC, that supplier or partner is responsible for ensuring that those subcontractors also comply with this Code.

Code of Conduct Campaign

We train our employees on how to apply the code in their day-to-day work through onboarding training for new joiners, annual refreshers for existing employees and targeted risk-based training. In 2021, as in past years, we launched a group-wide e-learning training module on the Code of Conduct and key compliance policies, including anti-bribery and corruption as a mandatory requirement for all employees. Supported by a comprehensive engagement plan and appointed compliance champions, 100% of our employees completed the training in 2021.

Governance at ADNOC Drilling

Takallam

We encourage an open culture of communication where our employees, contractors, and other stakeholders, feel safe and comfortable about reporting any business ethics and integrity concerns. We have zero tolerance for retaliation against anyone who in good faith reports misconduct or raises concerns. In recognition of the importance of speaking up culture at ADNOC, in 2021, ADNOC hosted "Compliance Live", a widely attended virtual forum for all our employees and our key external partners locally and internationally, which highlighted the importance of being heard and the contribution that each of our employees can make to our culture of integrity.

Concerns can be raised through multiple channels: with line managers, senior management, or the ethics and compliance representative. Using our Takallam platform, concerns can also be reported anonymously. Takallam, which translates to 'Speak Up', is confidential and independently managed by a third party. It is accessible inside, or outside, our Company by phone, or online, in multiple languages.

In 2021, we received 13 concerns through Takallam. Reported breaches of non-compliance are reviewed and investigations are undertaken in line with our Compliance Investigations Standard.

Legal, Compliance and Governance

Our Legal, Compliance and Governance division is responsible for ensuring that we conduct our business in full compliance with all relevant laws and regulations, as well as professional standards, accepted business practices and internal standards. The General Counsel of ADNOC Drilling, oversees ADNOC Drilling's Legal, Compliance and Governance division and is responsible for ensuring we consistently operate in accordance with the highest international standards.

Our commitment to operating with integrity includes investigating, where necessary, allegations of ethical misconduct. Our Compliance Investigations Standard and supporting procedures set out our approach to investigations relating to alleged violation of:

- Ethical business practices
- Integrity in our interactions and arrangements with third parties
- Applicable laws, regulations, policies, and procedures relating to ethical business practices and integrity

The Compliance Investigation Standard requires all of our personnel to cooperate fully and truthfully with all investigations and to avoid engaging in certain activities that may hinder or interfere with an investigation. We have the available channels to report any suggestions or recommendations. For 2021, no significant issues were identified with respect to our compliance and control systems and no violations were committed by ADNOC Drilling.

Anti-Bribery and Corruption

We are committed to doing business lawfully, ethically and with integrity, and we expect all of our employees and representatives to act accordingly. Consistent with this commitment, we take a zero-tolerance approach to fraud, bribery, and all other forms of corruption. Our Anti Bribery and Corruption Standard sets out our requirements to ensure that none of our employees or representatives engage in any of these activities.

In the last 3 years, ADNOC Drilling has had zero incidents of corruption and zero legal actions regarding anti-competitive behavior or violations.

100% of employees completed the anti-bribery and corruption training.

Corporate Policies and Guidelines

ADNOC places utmost importance on complying with all applicable laws, regulations, and policies. This is fundamental to how we do our business. Where there is a difference between a legal requirement and the Code of Conduct, we seek to apply the higher ethical standard, while always complying with the law. There are detailed policies and procedures throughout the Company that support the principles set out in the Code of Conduct. On the following page is a brief summary of some of the key policies and standards under which we operate.

Conflict of Interests

Whistleblowing and Non-Retaliation

Inside Information and Insider Dealing

Related Party Transactions

Gifts and Entertainment

Enterprise Risk Management

Data Management

For more information on our compliance and governance and structure please find the full Governance Report on our website at: www.adnocdrilling.ae/governance

Risk Management

ADNOC Drilling has implemented a robust and integrated enterprise risk management (ERM) system, which showcases our commitment to protecting our business and the interest of all our stakeholders. ERM employs a risk management approach aligned with the Committee of Sponsoring Organizations of the Treadway Commission (COSO), ISO 31000 and the ADNOC's ERM standards. It integrates a process of risk identification and assessment, rating of the risks including ESG risks using the corporate risk matrix and their periodic reporting and monitoring as well as tracking of mitigation actions. To support the ERM system, we have ERM policies and procedures in place which 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; and
- 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 Board of Directors.

In communicating critical concerns, our Investigation Review Board sub-committees and the HSE Committees raise concerns through periodic meetings which are followed by action plans and discussions in the next meetings. In 2021, there were no regulatory breaches or critical concerns raised.

Business Continuity

At ADNOC Drilling, we continue to demonstrate our deep commitment to business continuity, sustainability and corporate resilience. In 2020, to enhance our Business Continuity Management (BCM), we conducted a series of business impact analysis sessions with all operational and administrative functions, which allowed us to design and improve business continuity response and recovery strategies. As a result of these measures, we were able to remain in operation across all of our locations with minimal disruptions and the business continued to grow and improve its performance.

Our BCM division was established in line with the directive issued by the former Supreme Petroleum Council (now the Supreme Council for Financial and Economic Affairs), Supreme Council of National Security, and the National Emergency Crisis and Disaster Authority (NCEMA) to implement our BCM system. We have also established a Resilience Committee chaired by our CEO to aim to ensure direct supervision and support of the management team for all BCM activities.

Governance at ADNOC Drilling

In 2021, we became the first integrated drilling company in the region to achieve a certification to the ISO 22301: 2019 Business Continuity Management Systems standard (by UKAS).

Internal Control System

ADNOC Drilling's Board of Directors is responsible for the internal control system within ADNOC Drilling and has established a number of processes and procedures which are designed to ensure the effectiveness of our internal control system.

The key objectives of the internal control system are:

- Creating control mechanisms that ensure efficient business processes and the implementation of the ADNOC Drilling's objectives;
- Ensuring the safety of ADNOC Drilling's assets and efficient use of its resources;
- Protecting the interests of ADNOC Drilling's shareholders and preventing and resolving conflicts of interest;
- Creating conditions for timely preparation and submission of reliable reports and other information that is legally required to be publicly disclosed; and
- Ensuring ADNOC Drilling's compliance with applicable laws and requirements of regulators.

In addition to the functions and remit of the Board of Directors, ADNOC Drilling's internal control system is embedded in ADNOC Drilling at 3 levels:

Level 1 The business units and divisions within ADNOC Drilling are responsible for assessing and managing risks and building an efficient control system by complying with standards and procedures, KPIs, and corporate or divisional performance contracts etc.

Level 2 Appropriate internal departments and committees (enterprise risk management, quality, and compliance functions) are responsible for facilitating and guiding the risk assessment process, developing, communicating and monitoring the appropriate standards, processes and procedures.

Level 3 The Audit and Assurance division conducts independent assessments of the efficiency of the internal control system.

Data Privacy and Security

ADNOC Drilling places the utmost importance on maintaining the privacy of our customers' personal data and keeping confidential information safe and secure. We are committed to providing the highest level of security and confidentiality regarding collecting and using the customer's personal information. Accessing and sharing personal data is limited to those who are appropriately authorized, according to applicable laws, and for legitimate business purposes.

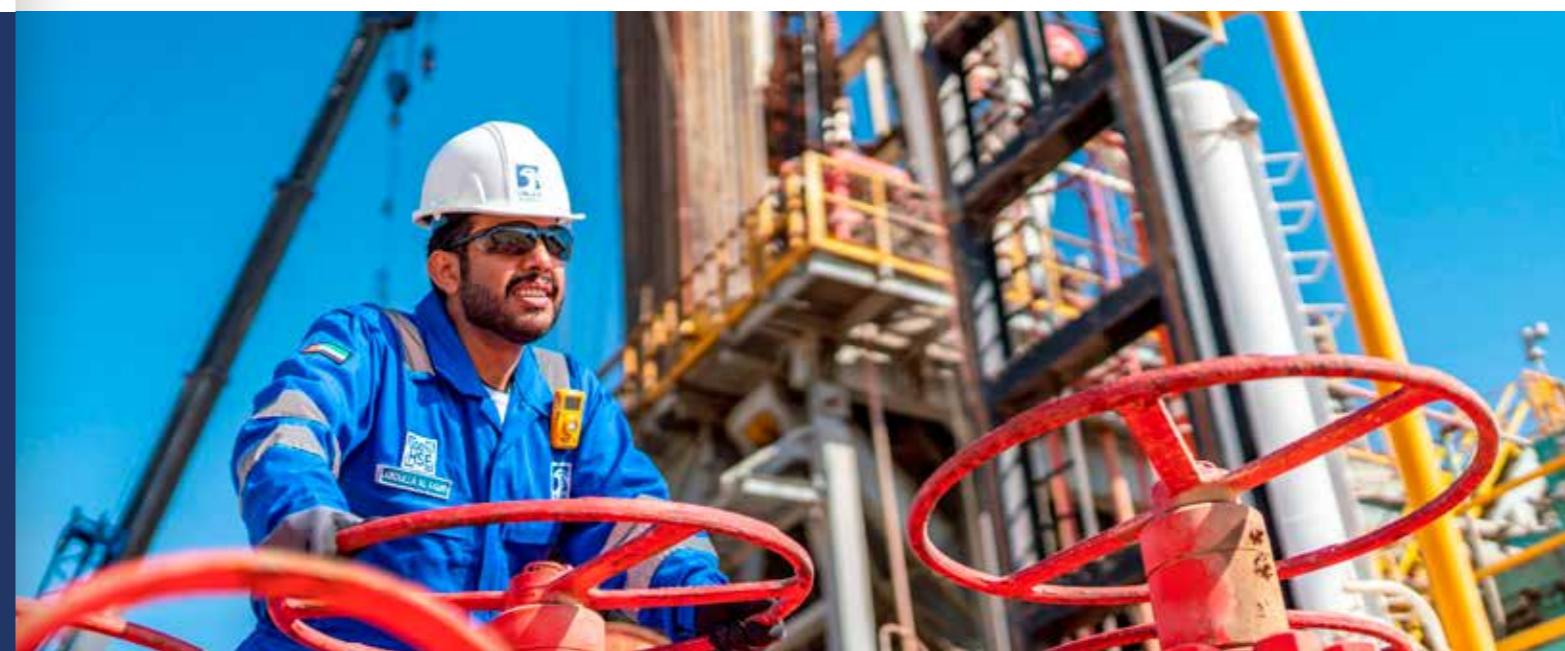
We provide our services mainly to ADNOC's Upstream companies such as ADNOC Onshore and ADNOC Offshore. Information Technology (IT) services are managed centrally through platforms such as the One ERP Platform, Network Security, Cloud Services, ADNOC website, etc. and are governed by unified ADNOC policies. ADNOC digital platforms, like the 'adnoc.ae' website, are accessible to individual customers. The customers can view ADNOC's Privacy Policy and the respective Terms and Conditions on the website. In 2021, ADNOC Drilling did not identify any substantiated complaints concerning breaches of customer privacy or loss of customer data.

ADNOC's IT services are subject to yearly external audits and focused spot checks by our Audit and Assurance division. Also, relevant Industry Certification Standards are upheld and verified by independent certification audits. All post-audit recommendations are registered, assigned, scheduled and monitored in central Audit Management System (AMS).



Economic Contributions

Given our strong market position, industry-leading low-cost structure and longstanding relationship with our main shareholder, ADNOC and the ADNOC Upstream operating companies, we are well-positioned to benefit from a planned increase in drilling activity to meet ADNOC's target of increasing oil and gas production capacity.



ADNOC is currently unlocking potential unconventional gas resources as part of its integrated gas strategy in line with the UAE's objective to become gas self-sufficient by 2030. ADNOC's strategic production targets in oil and gas and related planned Upstream development projects directly translate into drilling activity and into tangible financial performance for ADNOC Drilling.

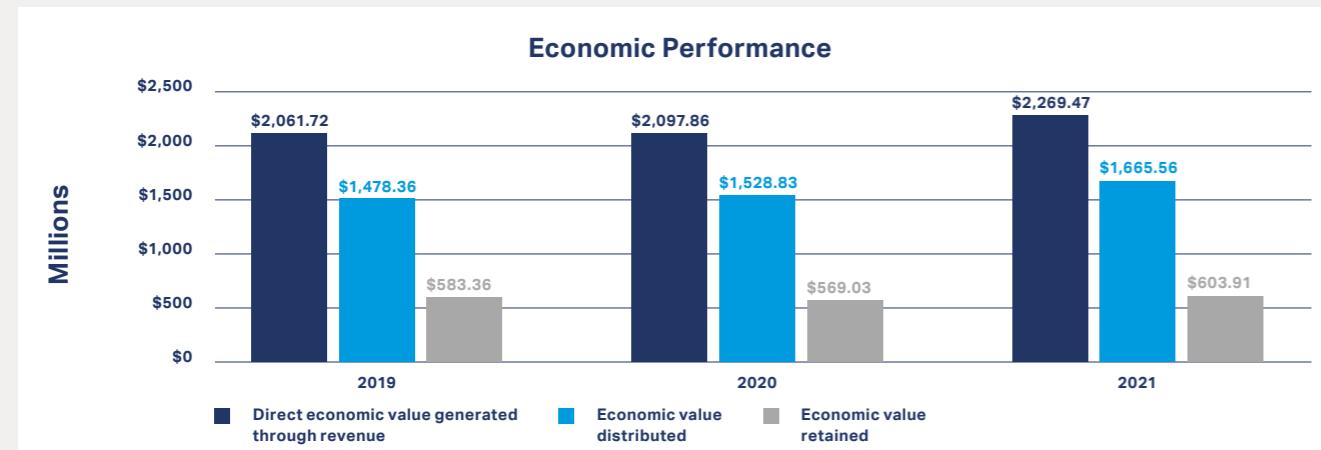
Key Operational and Financial Highlights

Operational
- 549 wells drilled in FY21 and over 4.6 million feet
- 107 rigs at 96% utilization (99 owned rigs and 8 rental jack-up rigs)
- 45% IDS market share in FY21, on target

Financial
- 9.1% EBITDA growth for FY21
- \$2.27 bn FY21 revenue at 8.2% year-on-year growth
- \$583m capital investment during the 12-month period

Our Economic Performance

ADNOC Drilling delivered a robust performance for the year 2021, with revenue growing at more than 8% year-on-year to deliver nearly \$2.3 billion in 2021. This performance was largely driven by the Onshore and OFS segments. Our net income for the year was more than \$600 million, an increase of 6.2% on the same period last year, largely driven by the increase in EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization).



ADNOC Drilling's principal activities include providing drilling services and supporting offshore equipment. Our revenue across our 4 reporting segments:

Onshore, Offshore Jack-ups, Offshore Island and OFS for 2021 are as follows:

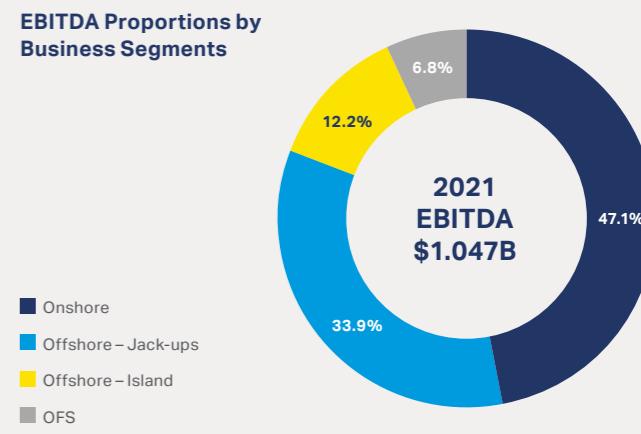
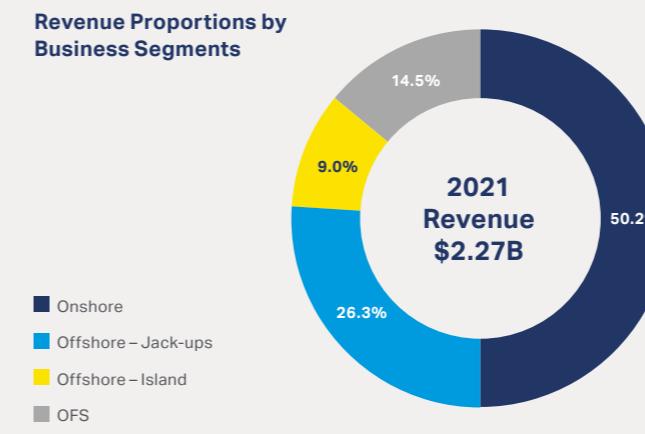
- Onshore Drilling is our largest segment generating 50.2% of 2021 revenues with 65 land rigs.
- Offshore Jack-up rigs were the second contributor to our business accounting for 26.3 % of revenues with 24 jack-ups and 1 barge.
- Offshore Island rigs represented 9% of revenues in 2021 with 10 island rigs.
- OFS accounted for 14.5% of our revenues in 2021. Established in 2018, the segment allowed ADNOC Drilling to become the first IDS provider in the Middle East. This segment is expected to grow significantly over the next decade.

Significant confidence in ADNOC Drilling's growth and success was reinforced in October 2021 with the overwhelming response to the Company's IPO from both local and international investors. This high level of interest spurred an efficient response from ADNOC. The Company's free float was quickly increased to 11% of share capital. This resulted in the largest-ever listing on the ADX, raising \$1.1 billion.

Today, ADNOC Drilling is included in 3 major global FTSE Indices and we are recognized as one of the world's most valuable drilling companies. The strong full-year results and successful strategic execution demonstrate the vital role that ADNOC Drilling is playing in enabling significant production capacity growth for ADNOC and the UAE's objective to achieve gas self-sufficiency.

Robust EBITDA Generation Profile

For the year 2021, we have achieved an EBITDA of more than \$1 billion, a 9.1% improvement over 2020. We also made solid progress on delivering further cost efficiencies. Reduced Operating Expenditure (opex) is helping drive the increased margins with major maintenance schedules being extended and centrally allocated expenses actively managed.



Increased Capital Expenditure and Improved Working Capital

Capital expenditure (capex) for the full year increased by 34% to \$505 million in 2021, as the Company pursues ambitious plans to cater to client demand. Capex saw a significant increase year-on-year, primarily due to the OFS expansion and the start of the extensive rig acquisition program for additional land and jack-up rigs. The majority of the rigs purchased in 2021 are expected to be operational in 2022 and will contribute to additional revenue growth going forward.

There has been a focus on working capital management to ensure operational efficiency. The timeline to deliver the targeted working capital of 10%-11% of revenue has been accelerated, ADNOC Drilling is now 40% on the way to achieving that target.

During 2021, the net working capital decreased by \$30 million. The improvement was primarily driven by increased billing and collections in the fourth quarter from ADNOC Onshore and Offshore, thereby reducing the related parties' balances at the year end. This marks a significant clean-up of unbilled revenue with our customers, and 2022 is expected to bring further sustained improvements in the operating working capital position.

Responsible Procurement

ADNOC Drilling's contractors and suppliers are important to our role as IDS provider and to ensure that environmental, social and economic impacts are managed across the supply chain.

ADNOC Drilling's Procurement division screens all third party partners to ensure that they meet the standards required of our business partners. All ADNOC Drilling contractors, suppliers and business partners are required to meet the principles set out in the ADNOC Drilling Supplier and Partner Code of Ethics. Suppliers must comply with all applicable laws and regulations, behave ethically, and align themselves with the principles set out in this Code. It is the responsibility of our suppliers and partners to ensure that their employees and subcontractors fully understand and comply with the Code. Contractors working for ADNOC Drilling are subject to UAE laws and regulations, our HSE standards and specifically, our standard on HSE and Welfare Contractor Management.

We communicate our standards and performance expectations to our contractors and suppliers and ensure these are effectively integrated into contractual agreements and work execution plans. Periodic reviews are conducted to assess the effectiveness of supplier management processes and procedures and to ensure that they are in compliance with our policies and requirements. All of our contractors, suppliers and business partners are encouraged to use our Takallam platform.

In-Country Value

Introduced in 2017, ADNOC's In-Country Value (ICV) program is a key enabler for delivering more value for the UAE, catalyzing socio-economic development, developing a knowledge-based economy and generating skilled jobs for UAE nationals.

The key objectives of the ICV program include

- Emiratization: creating additional employment opportunities for Emiratis in the private sector
- GDP Diversification: supporting UAE GDP diversification through sourcing more goods and services within the UAE
- Strategic Considerations: localizing strategically critical parts of the value chain for selected categories

ADNOC Drilling aligns with ADNOC's ICV program and is committed to improving our ICV contribution year-on-year. Our ICV rate increased to 87% in 2021, a 5% increase from two years ago, contributing to the ICV success of ADNOC overall. In our continued efforts to promote local procurement, we exceeded our target of 60% local procurement spending in 2021 by awarding 63% procurement spending to UAE-based and registered suppliers. The total number of ICV certified suppliers accounted to 336 in 2021. We have achieved this exceptional result through a firm commitment to Emiratization and our continuous support to the market, our contractors, and our suppliers. To the extent possible, ADNOC Drilling ensures that our commercial and procurement activities are UAE-focused.

Third-party Due Diligence

In 2021, we introduced the Integrity Due Diligence (IDD) platform which is a technology solution that uses specialized data sources to screen a third party to identify key integrity risks associated with that third party. The main objective of the initiative is to mitigate the risks of doing business with third parties. Some examples of key integrity risks include sanction's exposure (sanctions are restrictive measures taken by international bodies and/or countries, including the UAE, the United States and the European Union), criminal activity, bribery and corruption. The IDD is undertaken by ADNOC's Commercial Directory at the point of registration, and a relationship status is set for each supplier upon completion of the IDD. Also, ADNOC Drilling's Procurement division checks the IDD relationship status while selecting the suppliers and preparing the bidder list.

Proportion of spending on local suppliers

	2019	2020	2021
Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally).	45%	41%	63%



Climate and Environmental Efforts

At ADNOC Drilling, we believe that we have a responsibility to protect the health and safety of our people, minimize the consumption of resources and manage emissions to ensure a sustainable ecosystem for future generations.

We remain committed to the protection and enhancement of the environment through monitoring, reporting and continual improvement of our environmental performance across a range of areas, including energy, material consumption, emissions, water consumption and waste management.

In line with our HSE requirements, a Health, Safety and Environmental Case Study is conducted prior to all new activities, facility developments and/or significant modifications to existing ones. Soil and water contamination, along with other forms of environmental degradation are assessed and, where required, control or remediation is put in place.

Guided by ADNOC's 2030 Sustainability Strategy, we are committed to:

Decreasing greenhouse gas intensity by 25% by 2030

Minimizing all impacts through a best in class environmental management system

Strengthening collaboration in environmental protection, conservation and sustainable development

Internal monitoring of emissions and abatement processes



Environment Management

To highlight our commitment to environmental stewardship, we have adopted the ADNOC's HSE policy which is in line with the UAE's commitment to address climate change and protecting the environment. The policy guarantees that all the operations in our facilities and equipment are in compliance with applicable national and international standards.

We ensure employee awareness and understanding of their environmental roles, responsibilities, and accountabilities in line with the Environmental Management System (EMS). ADNOC Drilling's executive management team endorses the implementation of the HSE policy by providing the necessary resources to fulfill policy requirements.

Environmental Performance Monitoring

Reporting on environmental performance is an essential element of ADNOC Drilling's EMS. Reporting provides a mechanism to ensure that we meet environmental targets while serving as a key resource to inform our stakeholders about our environmental performance. The Sustainability Steering Committee oversees monitoring and implementation of environmental aspects within the Company, implemented through divisional ESG champions. The committee monitors the environmental performance of the following areas:

- Air Quality
- Environmental Noise
- Marine Discharges
- Marine Sediment
- Soil
- Ground Water

We are dedicated to continually improving our EMS by setting performance targets to progressively reduce pollution and improve the efficiency of the natural resource use. We received relevant certifications in a variety of management systems to corroborate our environmental priorities.

ISO 31000 Risk Management	Our ERM employs a risk management approach aligned with COSO, ISO 31000 and the ADNOC's ERM Standards that integrates a process of risk identification and assessment, rating of the risks using the corporate risk matrix and their periodic reporting and monitoring as well as tracking of mitigation actions to ensure effective risk management. This takes into account all risks, including ESG risks.
-------------------------------------	---

ISO 14001 Environmental Management Systems	Our EMS has been certified as conforming with ISO 14001:2015. It aims to ensure that all of our facilities and operations operate at the highest standards of operational excellence and safety.
--	--

ISO 50001 Energy Management Systems	ADNOC Drilling received the ISO 50001:2018 certification, enforcing a thorough audit process verifying our continual improvement in energy performance to lead by example in promoting an energy efficient economy in UAE.
---	--

Climate and Environmental Efforts

Prior to commencing drilling projects, ADNOC Drilling is required to undertake an Environmental Impact Assessment (EIA) for proposed new projects or substantially altered existing facilities. At ADNOC Drilling, we conduct a HSE case study to identify and assess environmental impacts associated with an activity, project or process followed by the determination of appropriate mitigation and monitoring practices.

We are also committed to ensuring our Pollution Prevention Control (PPC) implementation is in accordance with national and international best practice. The PPC is a regulatory system to control pollution from certain industrial processes and activities to determine that the Best Available Techniques (BAT) will be used to prevent and minimize pollution from an installation and that no pollution will cause significant adverse impact to our environment. The PPC emphasizes that waste production is avoided or, if produced, it is recovered. If this is not possible, waste is disposed of while avoiding or reducing impacts on the environment.

Climate Risk Mitigation

We recognize that climate change poses a range of risks to our operations. These include physical risks of extreme weather events, regulatory risks and market risks caused by change in behavior and preference. We believe that these risks are also opportunities to be harnessed. This compels us to be proactive in preparing for climate-related risks by investing in innovative solutions. We have invested in numerous initiatives to reduce our environmental footprint and mitigate potential adverse effects of our activities.

Moving Towards a Low-Carbon Future

Today, the issue of climate change faces all governments, businesses, and societies. We all have a role to play and we as an industry can do more to address climate change. As the largest drilling company in the Middle East by rig fleet size, we recognize the risks that climate change poses to our business and take its considerations seriously while setting our strategic targets and mitigation plans. To support the UAE's commitment to tackle climate change and achieve ADNOC's ambition to reduce emissions by 25% by 2030, we have developed the ADNOC Drilling Decarbonization Roadmap. This initiative will reduce the diesel consumption significantly reducing Greenhouse Gas (GHG) emissions. The roadmap includes:

2021 - 2030

- 25% reduction in GHG emissions
- Centralizing camps for land rigs
- Replacement of old engines
- Optimization of engines running hours
- Power optimization program
- Changing all flood lights to LED lights

Energy

At ADNOC Drilling, we are committed to reducing energy consumption across our operations. We have obtained the ISO 50001 certification, enforcing a thorough audit process verifying our continual improvement in energy performance to lead by example in promoting an energy efficient economy in the UAE. We have established an Energy Team to manage and monitor our energy performance across the Company. The Company's Energy Management System (EnMS) enables us to adopt a systematic approach to achieving continual improvement in energy performance, including energy efficiency, energy use and consumption. Since the design of a facility has a significant influence on energy performance, we consider energy efficiency at the design phase of new projects and during the upgrading or expanding of existing facilities or infrastructure.

ADNOC Drilling's Energy Efficient Design (EED) involves considerations such as:

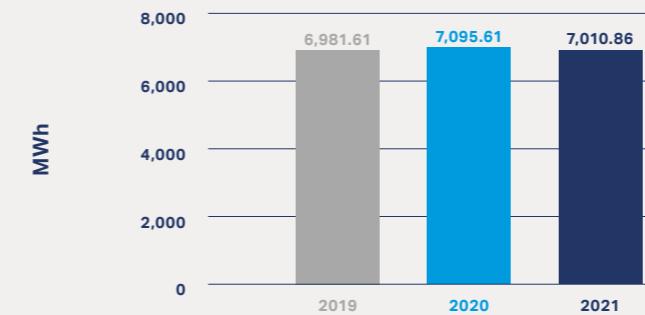
- The use of efficient energy converters (e.g., electric motors, burners, variable speed/frequency drives)
- Minimization of heat/power/pressure losses
- Optimization of pipe sizes to minimize life-cycle costs
- Heat and power integration, including optimum use of waste heat
- Integration/optimization based on risks and opportunities with neighboring facilities
- Application of best practice in building design and construction
- Use of advanced longer-life lighting systems (e.g. light emitting diodes (LEDs))

Suppliers' energy efficiency procedures are reviewed during procurement processes for products, services, or equipment that could have an impact on Significant Energy Uses (SEU). Furthermore, by focusing vigilantly on responsible supply chains, ADNOC Drilling plays a key role in influencing positive outcomes on ESG criteria with suppliers. We ensure that energy parameters have been integrated into tender documents, where supplier are assessed the essential requirement as per our policies and procedures.

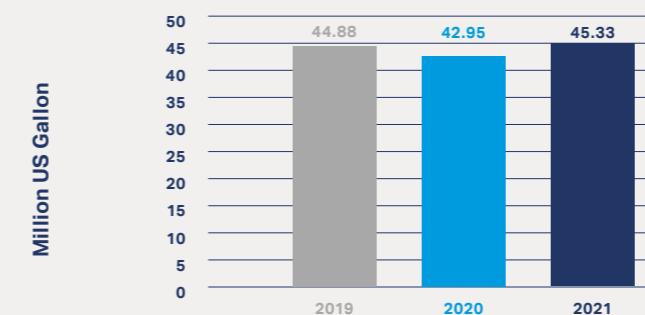
Energy Consumption

In 2020, energy consumption within the Company increased by 1.6% due to electricity utilized for construction activities as part of a warehouse expansion at Musaffah. The construction completed in 2021, resulting in a 1.2% reduction of electricity consumption in 2021. Our total fuel consumption increased by 5.5% in 2021; diesel was primarily used for electrification of the rigs through diesel generators.

Energy Consumption within the Company
(Electricity Consumption)



Fuel Consumption within the Company
(Fuel Consumption)

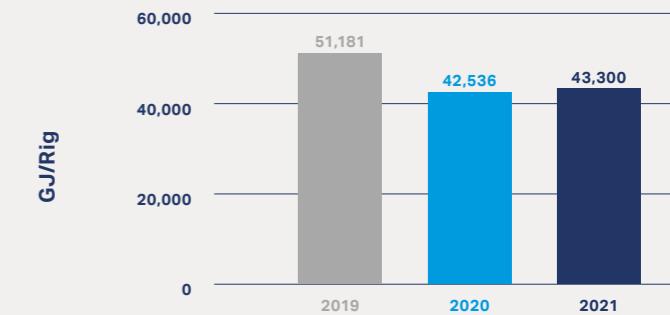


Energy Intensity

ADNOC Drilling witnessed a 17% reduction in our energy intensity in 2020 as compared to 2019 primarily due to the shutdown of rigs during the Covid-19 pandemic. At the same time, we initiated energy optimization of rig engines versus rig load that also led to substantial energy savings. In 2021, 10 stacked land rigs and 4 warm stacked island rigs returned to operation. Additionally, 2 new rigs joined the fleet during the year. As a result, we recorded a 1.8% increase in energy intensity in 2021.

Our Rig Integrity Assurance Program (RIAP) helped combat the impact of increased energy intensity in our operations. Under this program, older rigs are refurbished and upgraded to extend their life span by 15-25 years, offering a cost-effective and safe alternative to procuring new rigs.

Energy Intensity Ratio



Technology Improvements

As a responsible service provider, ADNOC Drilling leverages innovation and technology to help us achieve our ambitious environmental goals. We continue to refine the way we work, leveraging smart drilling techniques and engineering solutions, building capabilities so we can be even more cost efficient as we drill more wells. We utilize advanced, record-breaking horizontal and directional drilling methods or cluster drilling techniques.

These techniques enable more efficient drilling as we continue to reduce our environmental footprint. Our 9 state-of-the-art island 'walking' rigs avert the need for many offshore jack-up rigs, thereby reducing the impact on our marine environment.

Replacement of Gen-Set Rig Fleet

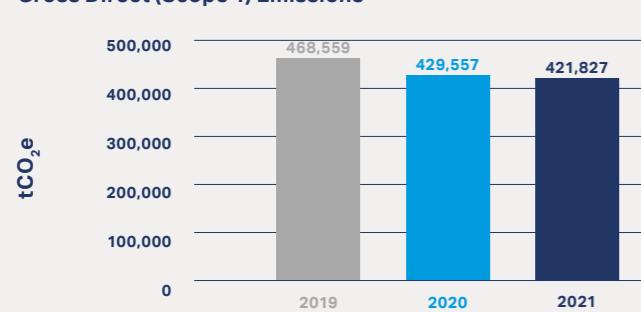
The company replaced old engines fleet with modern brands of low emissions and environmentally friendly engines. The initiatives resulted in the savings of 8,910 tons of CO₂/year, 186 tons of N2O/year and 122 tons of CH4/year.

Climate and Environmental Efforts

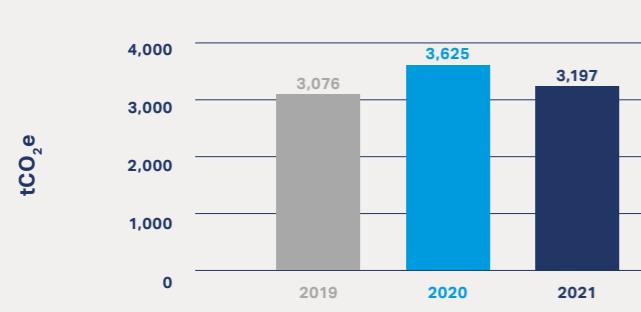
Greenhouse Gas (GHG) Emissions

At ADNOC Drilling, we are committed to making our contribution to ADNOC's 2030 target to reduce its GHG intensity by 25%. We have already cut our overall CO₂ emissions by nearly 130,000 tons and diesel consumption by 12 million gallons over the last 5 years through energy efficiency initiatives.

Gross Direct (Scope 1) Emissions



Gross Location-based energy indirect (Scope 2) Emissions



ADNOC Drilling's GHG emissions are directly related to diesel consumption on rigs, camps, and transportation. The insignificant rebound in drilling markets impacted ADNOC Drilling's emission in 2021. The sources of Scope 1 emission include stationary sources (onshore and offshore), mobile sources (controlled/operated by the company) and other GHG species. The Scope 2 sources include internal sources (within the ADNOC Group) and external sources (outside the ADNOC Group). Moreover, any increase or decrease in emission would be directly related to operational scope, such as the number of rigs in operation, their associated efficiency and the emission factor.

Furthermore, for the reporting year, the total non-GHG emissions (includes SOx, NOx, CO, and Non-methane VOC) is 25,334 tonnes from onshore and offshore activities.

Flaring can occur in the oil and gas industry for many reasons, ranging from initial start-up testing of a facility to unexpected equipment malfunctions. ADNOC Drilling's primary operation is to provide rig services; hence, operating companies are managing the flaring at the site.

Emissions Intensity

ADNOC Drilling measures emissions intensity per rig. As part of our 2030 strategy, we aim to reduce emissions intensity by 25%. Our 2020 emissions intensity fell by 16.8% from 2019, however, as we regain the momentum in our operational activities after Covid-19, our intensity grew only by 1.8% in 2021.

GHG Emissions Intensity

	2019	2020	2021
Total GHG emissions per output scaling factor. (tCO ₂ e/Rig)	3,947	3,280	3,339

Centralized Camps

ADNOC Drilling utilizes centralized camps instead of mobile camps, powering them through the grid rather than with diesel gensets. This initiative has resulted in lower energy consumption, high quality services, reduction in rig move days, fewer operational delays, a reduced environmental footprint, less water consumption, better waste control management, and ultimately reduced GHG emissions. HSE is improved as well, since the workforce now benefits from a centralized medical facility.

Water Management

At ADNOC Drilling, we adhere to ADNOC's pledge to use less than 0.5% fresh water and have been recycling treated wastewater in mobile camps in the last 2 years. We are committed to sustainably managing and reducing company-wide water through appropriate initiatives to manage water resources and reduce impact on the environment.

In line with our internal policies and controls, we take all appropriate measures to conserve the use of water resources by:

- Ensuring ground water extraction is sustainable and does not exceed discharge rate
- Ensuring all appropriate conservation measures are used during operations and activities and that water is not wasted
- Ensuring opportunities for water reduction, reuse and recycling are maximized
- Ensuring discharges of process water do not contain toxic or harmful substances and do not result in any significant adverse impact on the natural water environment

Water Consumption

Water is used across ADNOC Drilling operations. We acquire our water from sources including the sea, ground water, and third parties. Sea water satisfies 95% of all our water demands and all water withdrawn from the sea for operations is reclaimed and discharged back into the sea.

Water Consumption

	2019	2020	2021
Total Water consumption from all areas (Million Liters)	959	882	687

Water Withdrawal

ADNOC Drilling utilizes water from different sources for different areas of our operations. Ground water is primarily utilized for drilling activities. Sea water is used for cooling and is discharged back to the sea after undergoing treatment to ensure compliance with regulatory discharge limits. In 2021, almost 1% of the total amount of utilized water was from ground water used for operation purpose, 3% was by municipal water supplies such Abu Dhabi Distribution Company (ADD), Federal Electricity and Water Authority (FEWA), etc. for domestic purpose, and 95% came from the sea.

Water Withdrawal by Source

	2019	2020	2021
Total withdrawal from Ground water sources (Million Liters)	238.50	219.42	367.06
Total withdrawal from Sea water (Million Liters)	13,132.28	12,081.70	26,358.40
Total withdrawal from Third-Party Water sources (Million Liters)	720.51	662.87	803.85
Total withdrawal (Million Liters)	14,091.29	12,963.99	27,529.31

Water Discharge

We are committed to taking all necessary steps to protect the marine environment across our operations. We follow strict procedures to ensure discharged water undergoes treatment to ensure compliance with relevant regulatory discharge limits. In ADNOC Drilling, we discharge domestic wastewater back to municipal sewerage network.

Highlights of Historical Water Management
ADNOC Drilling continues to research and implement efficient water management measures across our operations.

Some water conservation activities include:

- Installed meters to monitor the ground water consumption
- Improved the Engine Cooling systems to reduce the cooling water discharge
- Improved our wastewater treatment systems like Sewage Treatment Plants (STP), Oily Wastewater Treatment System (OWS), piping system to ensure that the wastewater is treated to regulatory limits before it is discharged
- Conducted monthly STP discharge analyses on Onshore Rigs and quarterly STP and OWS analyses on Offshore Rigs
- Conducted a Ground Water Resources Program (GWRP) that involved drilling more than 600 monitoring water wells throughout Abu Dhabi. As a result, more than 200 scientific research and specialized studies were issued. These include data compilation reports, interpretive research reports, map and poster reports, fact sheets, proceedings to conferences, geophysical logging reports, and other miscellaneous reports.

Climate and Environmental Efforts

Waste Management

We strive to ensure sustainable drilling operations through optimal handling of waste and minimizing the waste generated to further reduce our environmental impact. To support our commitment to sustainability and environment preservation, an effective waste management process ensures that all waste generated is effectively and responsibly handled.

ADNOC Drilling's hazardous waste is transferred to the ADNOC Refining Waste Management Unit (BeAAT), for proper handling, treatment and disposal. The facility is located in Ruwais city and is registered in compliance with regulations set by Abu Dhabi Waste Management Center (Tadweer).

In 2020, we undertook maintenance work of the rigs that led to the increase in total used oil waste and total empty painting cans/empty drums waste sent to BeAAT. At the end of 2020, we installed an oil separator which ensured all organic liquid was transferred to the oil separator of Bid-Al Oshana Base (BAOB). As a result, the amount of organic liquid of washing station waste that was sent to BeAAT in 2021 was reduced to zero.

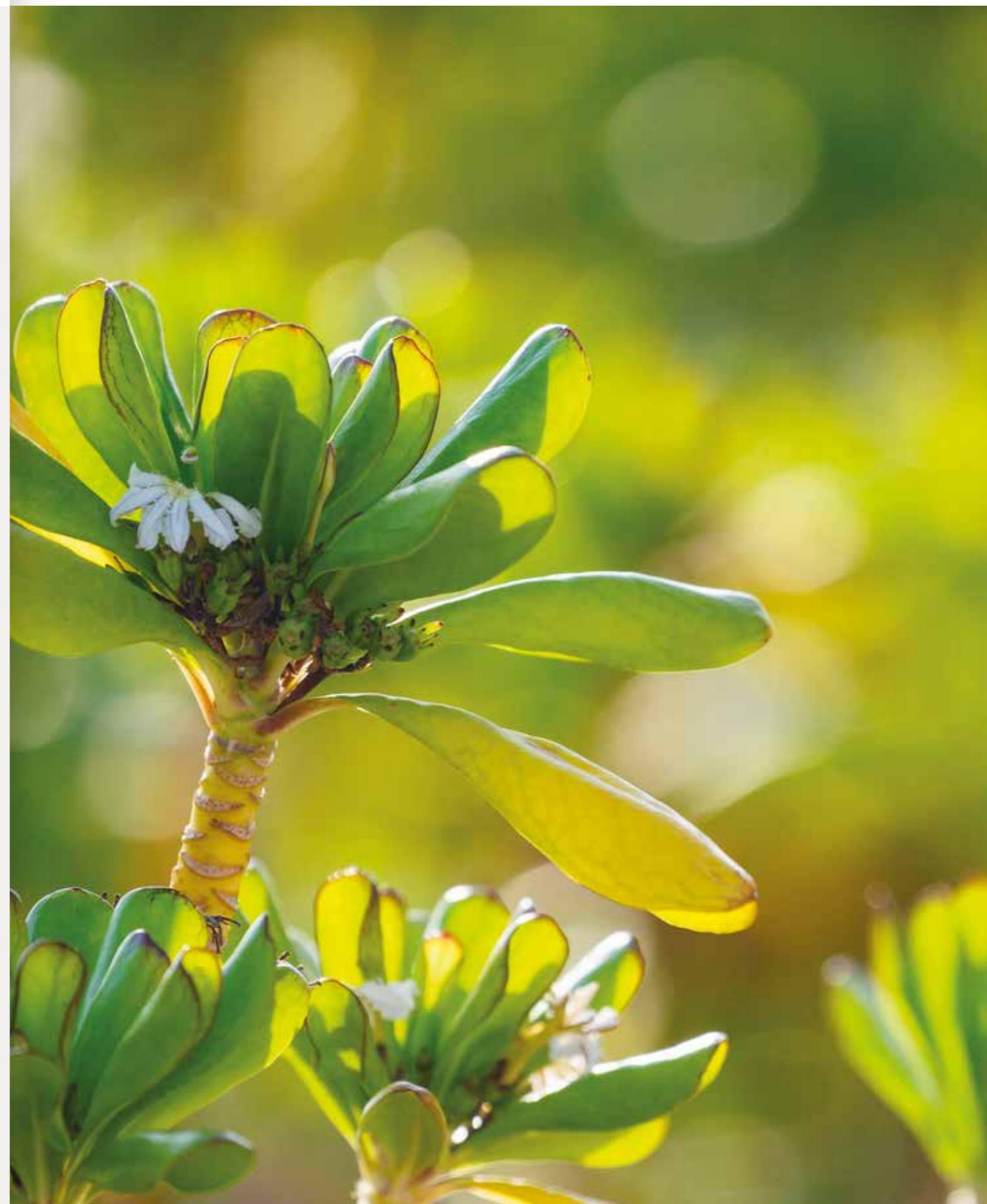
Non-hazardous waste is transferred to Tadweer-approved facilities. The total non-hazardous waste generated was 2,023.3 tons.

Hazardous Waste Management

	2019	2020	2021
Total used oil waste (Tons)	94.27	134.01	70.23
Total contaminated soil waste (Tons)	56.39	0	47.78
Total empty painting cans/empty drums waste (Tons)	50.22	238.47	60.74
Total organic liquid of washing station waste (Tons)	596.25	121.49	0
Total used batteries waste (Tons)	0.50	0.53	0
Total grit blast and swarf (Tons)	0	76.48	3.3
Total used vehicle filters (Tons)	0	0.4	7

Conserving Biodiversity

ADNOC Drilling recognizes that the management and mitigation of risks to biodiversity can only be achieved through effective regulation, independent examination, and good operating practice, including independent environmental monitoring and verification. We require a consistent approach to ecological assessments to minimize impact on biodiversity. These assessments incorporate robust mitigation and contingency planning processes that rely on prompt detection and effective intervention. Our guidelines published by the Chartered Institute of Ecology and Environmental Management (CIEEM) for Ecological Impact Assessment (EclA) provide a useful framework to establish a baseline and predict and monitor ecological change.



Social Contributions

ADNOC Drilling is committed to responsible and sustainable operations. In all we do, we strive to provide our people with a safe work environment that empowers and encourages them to achieve their maximum potential.

Health and Safety

ADNOC Drilling's values (Collaborative, Respectful, Responsible, Efficient and Progressive) are underpinned by an unwavering focus on 100% HSE. HSE is our number one priority and is an integral part of everything that we do and is prevalent across our commitment to keeping employees, communities, the environment, and our assets safe from harm. We continue to strive for a hurt-free operation through consistent and periodic review of policies and standards, enhancement of our training matrix and by embracing advanced technologies that support the protection of our people and our assets. As always, in 2021, 100% HSE drove all we did in service of our stakeholders and the people of the UAE. We have robust processes comprising of risk assessment, monitoring, reporting and response plans in place to embed a safety culture of empowerment, responsibility, and accountability across the Company.

Protecting our Family during Covid-19

Our objectives of protecting employees and ensuring business continuity have been critical to ensuring the continued health and wellbeing of our employees and the Company.

We responded dynamically to the challenges presented by the coronavirus pandemic, implementing a series of measures to protect the health and safety of our employees while ensuring uninterrupted services to our customers.

These measures included work-from-home arrangements for all management and support staff, social distancing, hygiene measures and awareness campaigns, arrangements for coronavirus testing across our sites, contact tracing and self-isolation arrangements as well as monitoring suppliers, subcontractors, and partners. We also created country and customer-wide business continuity plans and return-to-work guides to support the new working arrangements.

We have fully adhered to Abu Dhabi's Covid-19 protocols. As of 31 December 2021, approximately 98% of our workforce received both doses of the vaccination and almost 96% received a booster dose of vaccination. While the Covid-19 pandemic persisted through 2021, ADNOC Drilling is proud that our dedicated, professional workforce ensured that operations continued with minimal disruption.

Our Health and Safety Culture

Our commitment to 100% HSE means that the employees who perform HSE-critical activities and tasks must be informed and prepared. ADNOC's "HSE Culture Transformation" program was launched to put policy into practice, creating a foundational cultural value of which everyone across the Company can and should be a part.

Our HSE policies and standards are the foundation of our commitment to "Pursuing no harm to people and the community" and these policies and standards are based on 8 focus areas that are aligned with local, federal laws and regulations, as well as international best practices.



ADNOC Drilling's HSE Standards include:

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

Our management and employees are committed to effectively developing and implementing an incident-free workplace culture. We continuously manage risks through effective and adequate controls, minimizing impact on business, and setting the overall context and leadership commitment to enhancing our HSE activities and performance. All employees are empowered and given the necessary training and tools to be individually responsible for their own safety and the safety of their co-workers and the environment. In 2021, our HSE division implemented extensive training and awareness programs as well as campaigns in order to increase safety awareness and minimize time lost to injuries and aim to achieve 100% HSE integrity.

HSE Management System

Our HSE Management System, implemented across all facilities and operations, covers health, safety, and environmental principles and objectives. The management system monitors our HSE performance, and continuously helps us monitor and improve necessary safeguards to protect our people, our assets, and the community.

Our management system comprises more than 80 operational control documents that detail the minimum requirements for controlling health, safety, and environmental risks in our operations. These are aligned to the recognized International Organization for Standardization (ISO) noted in the table.

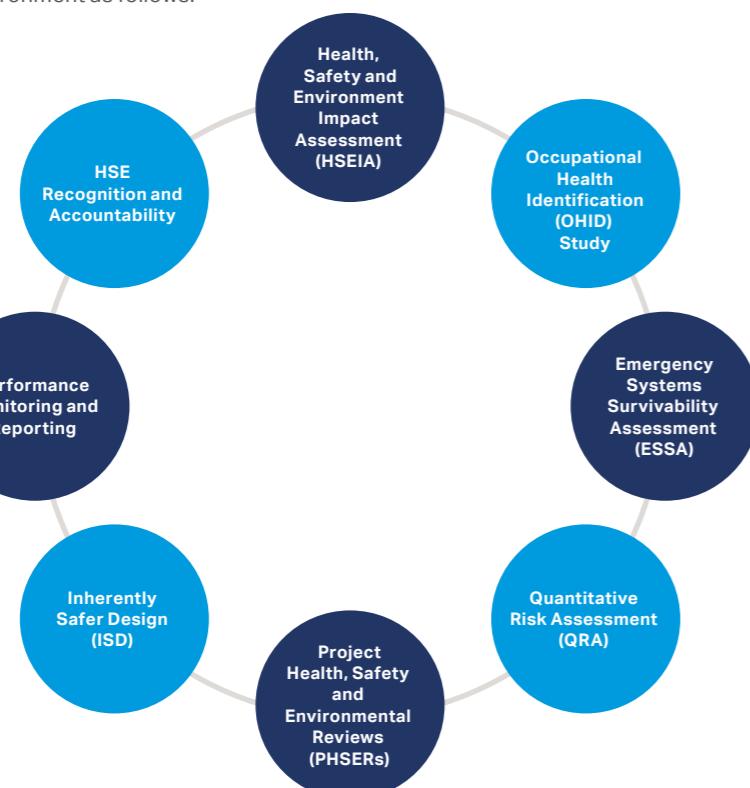
ISO 9001: 2015	Quality Management System (QMS)
ISO 14001: 2015	Environment Management System (EMS)
ISO 45001: 2018	Occupational Health and Safety Management System (OHS MS)
ISO 22301: 2019	Business Continuity Management System (BCM)
ISO 27001: 2013	IT Management System
SO 29001: 2020	Petroleum, petrochemical and natural gas industries: Sector-specific quality management systems: Requirements for product and service supply organizations.

Focusing on employee participation in developing, implementing, and evaluating the occupational health and safety management system, we embrace an open, two-way communication that includes HSE, operations, and our Human Capital functions. This communication is performed through various activities such as meetings, one-to-one sessions, interviews, high-profile visits, and consultations with employees. In alignment with the annual HSE plans and ad-hoc programs, we keep track of responsibilities, meeting frequency, and decision-making authority.

Social Contributions

ADNOC's Health and Safety Standards

We adhere to HSE processes and procedures that are built on international best practices and designed to reinforce the safety of our employees, contractors, and all assets. We have implemented different tools and techniques to maintain a safe and healthy work environment as follows:



Safety Performance

ADNOC Drilling is committed to maintaining a strong safety performance record across our offshore and onshore operations.

In 2021, we continued to closely monitor safety performance and investigated all incidents, duly supervising Fatality (FTL), Lost Time Injury (LTI), Restricted Workday Case (RWDC), Medical Treatment Case (MTC), among other indicators. We improved our safety performance with almost all indicators showing a decline in 2021. The improvement was especially noticeable in the 50% decrease from the previous year in frequency of injury events (for all employees). We also saw an overall decrease in the rate of recordable work-related injuries (for all employees) by 45% in 2021, compared to the previous year. This reflects an overall reduction in injury events relative to working hours. These figures are directly reflective of ADNOC Drilling's robust safety precautions.

Additionally, we recorded further health and safety improvements for our workforce who are not employees but whose work and/or workplace is controlled by ADNOC Drilling.

We recorded a 45.8% decrease in the rate of high-consequence work-related injuries (excluding fatalities) and a 56% decrease in the rate of recordable work-related injuries from the previous year.

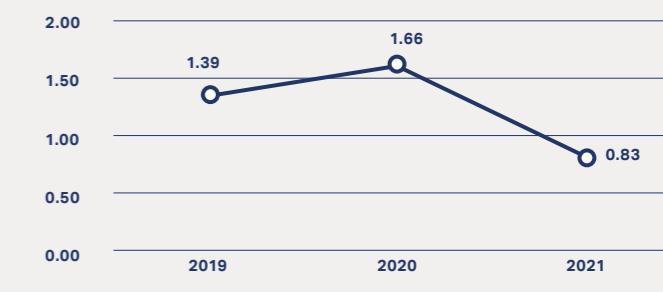
Rate of high-consequence work-related injuries (excluding fatalities)



Rate of recordable work-related injuries



Frequency of injury-events



Particulars

	2019	2020	2021
Work related fatalities (Employees: direct-hire)	0	0	1
Work related fatalities (Workers: contract)	0	0	0

We register 100% HSE days – days without injuries, motor vehicle accidents, or process safety releases/ environmental spills. In 2021, we achieved 331 100% HSE days. We continue to apply best practices and best safety culture in our system to benefit our people. We aim to collectively work to maintain a safe workplace for all, "100% HSE" is and always will be our top priority.

Every year, we celebrate Safety Day in October to reiterate the importance of adhering to 100% HSE. Integrating safety measures for operating motor vehicle transport and driving in our HSE management system is very important. In 2021, we participated in ADNOC's Safety Day which intensified focus on road safety. This event provided awareness of the criticality of safe driving for all employees and contractors. This event was live streamed to all employees at head offices, rigs, and at sites.

Work-related Hazards

We have determined work-related hazards through generic and historical data of the work-related hazards i.e., information of hazardous chemicals from Safety Data Sheets (SDS), description process and activities, confirmation from the Occupational Health Risk Assessment (OHRA) studies, continuous risk assessment, Job Safety Analysis (JSAs) and other standard procedures. We utilize OHRA mechanisms and reporting systems for the identification and elimination of hazards and minimization of risks.

The main types of work-related injuries at ADNOC Drilling are hand and finger injuries. This is the most common type of injury in the sector. As part of our commitment to 100% HSE and to achieve a hurt-free workplace, we introduced a Hand and

Finger Safety initiative during our Hurt-Free campaign series in December 2021. The aim was to remind crew members on the importance of protecting their hands while working, as part of our effort to build a culture of prevention and support proactive safety management.

In 2021, ADNOC Drilling reported no record of hazards leading to ill health except heat related illness. To combat this, in 2021, ADNOC introduced a Group-wide unified annual 'Beat the Heat' campaign. In line with this our dedicated HSE leaders focus on monitoring our site employees for early signs of heat stress and take remedial measures as required.

Health Benefits for our Workforce

ADNOC Drilling ensures our workforce is provided with suitable insurance related to their working conditions through a third party Insurance Healthcare Plan, including pre-employment and periodic medical check-ups and health surveillance programs. In 2021, the upgraded health and entertainment card promoted the wellbeing of all staff and provided access to top-quality services.

Social Contributions

Emergency Response and Crisis Management Preparedness

Safety is a key factor that customers consider when selecting a drilling company. A decline in our safety performance could result in lower demand for our services, which could have a material adverse effect on our business.

ADNOC Drilling has implemented robust risk mitigation measures to manage any adverse events proactively. We have also developed and implemented scenario-based emergency plans within all facilities, and practiced the roll out of these plans every week. Every individual in ADNOC Drilling is well trained to respond to adverse scenarios. Furthermore, we have developed and implemented a 3 tier crisis management system aligned with our clients, National Crisis & Emergency Management Authority (NCEMA) practices, and other regulations.

The following are the significant highlights related to this area:

1. Emergency response drill submissions are completely automated for better management monitoring and compliance.
2. ADNOC Drilling crisis management plan was recently reviewed and updated in alignment with the ADNOC standard for crisis and emergency response, ISO, and other standards.
3. The crisis management response is completely aligned with the response system for faster response and recovery.
4. The emergency, crisis and business management escalation criteria are well defined and aligned with each other.

Incident Reporting Process

We prioritize prevention of incidents. ADNOC has established mandatory requirements for ensuring timely notification, investigation and reporting of all HSE incidents with an objective of learning from incidents and avoiding recurrence. ADNOC requires that we record, manage, and report all incidents regardless of the incident location or cause.

We follow ADNOC's Incident Reporting procedure which requires all accidents and incidents to be reported through ONE Enterprise Resource Planning (ERP) System. Based on the investigation report, all actions are tracked through this action tracking system. Subsequent to closing out after taking remedial actions, lesson learned are prepared and cascaded to all sites and group companies.

ADNOC Drilling empower employees and contractors to ensure they take responsibility for their personal safety. All employees are empowered to stop work if they feel their personal safety, or the safety of their colleagues, is compromised. We want every staff member to report unsafe acts, unsafe conditions and near misses, regardless of severity.

HSE Initiatives

Improving Rig Safety

Aligned with our commitment to ensuring safe behavior and enhancing our HSE performance to achieve 100% HSE, ADNOC Drilling's HSE division established a project named Drilling Data Analysis.

It comprises monitoring the recorded CCTV footage of the most common and hazardous operations on a drilling rig, finding unsafe actions and best practices to create activity-based learning packages for all other rigs. Utilizing CCTV footage in such a way promotes effective learning and raises the awareness of rig crews that contributes to minimizing incidents, accidents, injuries, and near misses. It has led to a 30% reduction in BBS incidents.

100% HSE Junior Academy Initiative

The 100% HSE Junior Academy was set up to help minimize hazards and incidents at ADNOC Drilling's rig sites, and raise awareness of regulations, share knowledge and best practices, as well as increase adherence with standard processes designed for safe operations.

Instructions are multi-lingual, and targeted at an audience that includes floormen, roustabouts, derrickmen (rig crew members who get their name from the fact that they work on a platform attached to the derrick or mast), and forklift and manlift crane operators. The academy has trained a total of 679 employees (as of December 2021) and the on-site sessions, which are held at 5 ADNOC Drilling camps, aim to reinforce the 100% HSE culture via slide presentations, videos, interaction, studying potential and actual accidents and lessons learned. The training enhanced team members' ability to effectively and efficiently manage HSE reporting and administration.

Asset Integrity Risk Reduction Program Enhancing Safety and Accountability

ADNOC Drilling is committed to reinforcing our HSE culture change as well as achieving zero incidents.

As part of this, we introduced the Asset Integrity Risk Reduction Program (AIRRP) which gives employees greater autonomy in their roles at the rig site. The program aims to recognize and appreciate champions who on a monthly basis fulfil and exceed their role of ensuring the integrity of the assets they are responsible for. It was developed to motivate employees to maintain continual vigilance on assets, take ownership, and eliminate all potential issues before they interrupt operations to help the Company achieve near to zero incidents.

Our Workforce

ADNOC Drilling strives to attract, develop, and retain a diverse, inclusive, gender balanced and dedicated workforce. As one of the largest employers across the drilling industry in the Middle East, our workforce is equipped with the right knowledge, skills, and determination to execute our strategy and drive success in the Company.



6,532

Total number of employees

Diversity and Equal Opportunities

We are committed to fostering an inclusive culture and implementing workforce diversity. Ensuring fairness, equality, and diversity in recruiting, compensating, motivating, retaining, and promoting employees is essential to us. Our dedicated workforce is 6,532 employees as of December 2021.

Total Number of Employees – By Gender	2019	2020	2021
Total number of females	163	177	177
Total number of males	6,492	6,365	6,355
Total	6,655	6,542	6,532
Total Number of Employees – By Age Group			
	2019	2020	2021
Total number of employees in the age group of 18-30	1,485	1,254	1,053
Total number of employees in the age group of 31-40	3,075	3,065	3,035
Total number of employees in the age group of 41-50	1,558	1,669	1,866
Total number of employees in the age group of 51-60	535	552	577
Total number of employees in the age group of 60+	2	2	1

Female Representation

We are committed to increasing the female representation at all levels with a target to fill 25% of our technical roles with women by 2030. Furthermore, the establishment of our Gender Balance Committee, marked an important achievement as it ensured appropriate representation and support for the female workforce across ADNOC Drilling, to further enhance our female representation and ensure equality between all employees.

Employee Turnover

In our efforts to drive diversity and employee development across ADNOC Drilling, we welcomed a total of 368 new employees in 2021, from different age groups, genders and employee categories as illustrated below.

New Hires – By Employee Category	2019	2020	2021
Senior Management positions (#)	1	0	0
Senior Management positions (%)	17%	0%	0%
Middle Management (#)	41	9	11
Middle Management (%)	12%	3%	3%
Staff (professional, operational, and administrative) (#)	670	403	357
Staff (professional, operational, and administrative) (%)	11%	7%	6%
New Hires – By Gender	2019	2020	2021
Female (#)	11	19	6
Female (%)	7%	11%	3%
Male (#)	701	393	362
Male (%)	11%	6%	6%
New Hires – By Age Group	2019	2020	2021
Total number of new hires in the age group of 18-30	43	96	56
Percentage of new hires in the age group of 18-30 (%)	3%	8%	5%
Total number of new hires in the age group of 31-40	420	225	219
Percentage of new hires in the age group of 31-40 (%)	14%	7%	7%
Total number of new hires in the age group of 41-50	217	88	84
Percentage of new hires in the age group of 41-50 (%)	14%	5%	5%
Total number of new hires in the age group of 51-60	32	4	9
Percentage of new hires in the age group of 51-60 (%)	6%	1%	2%

Our Workforce

We strive to foster a culture of stability and high retention of top talents across our operations. A testament to our culture is demonstrated by our low attrition rate of 1% for 2021 and an average tenure of 8.5 years – as shown in the below table.

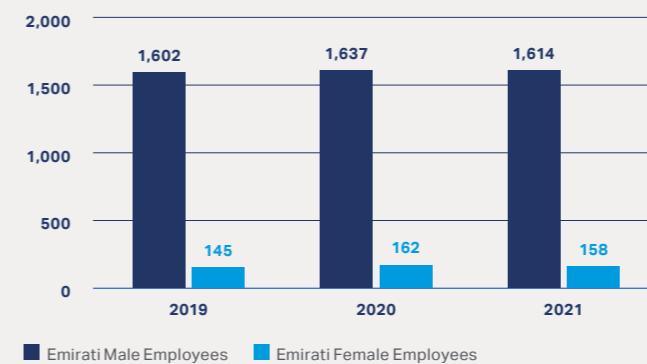
Turnover – By Employee Category	2019	2020	2021
Senior Management positions (#)	0	0	0
Senior Management positions (%)	0%	0%	0%
Middle Management (#)	4	3	4
Middle Management (%)	1%	1%	1%
Staff (professional, operational, and administrative) (#)	87	59	81
Staff (professional, operational, and administrative) (%)	1%	1%	1%
Turnover – By Gender	2019	2020	2021
Female (#)	4	1	2
Female (%)	3%	1%	1%
Male (#)	87	61	83
Male (%)	1%	1%	1%
Turnover – By Age Group	2019	2020	2021
Total number of employees that left that belonged to the age group of 18-30 (#)	16	7	9
Percentage of employees that left that belonged to the age group of 18-30 (%)	1%	1%	2%
Total number of employees that left that belonged to the age group of 31-40 (#)	46	32	29
Percentage of employees that left that belonged to the age group of 31-40 (%)	2%	1%	1%
Total number of employees that left that belonged to the age group of 41-50 (#)	17	20	26
Percentage of employees that left that belonged to the age group of 41-50 (%)	1%	1%	1%
Total number of employees that left that belonged to the age group of 51-60 (#)	11	3	11
Percentage of employees that left that belonged to the age group of 51-60 (%)	2%	1%	2%
Total number of employees that left that belonged to the age group of 60+ (#)	1	0	0
Percentage of employees that left that belonged to the age group of 60+ (%)	50%	0%	0%

Emiratization

In our efforts to contribute to ADNOC's ICV program and nationalization, ADNOC Drilling takes responsibility to attract, nurture, develop, and empower Emirati talent. With 90% of our operational leadership and 25% of our total workforce comprised of homegrown talent, we have established ourselves as an employer of choice for UAE nationals in the UAE.

To steer the Company in line with the local agenda and increase the intake of Emiratis, we actively recruit fresh graduates and experienced professionals. This strategic recruitment follows our broader 5- and 10-year Emiratization goals. In 2021, our Emirati workforce comprised of a total of 1,614 employees, marking the second consecutive year where we surpassed our Emirati recruitment target of 20 fresh graduates.

Emiratization



Employee Engagement

With a workforce comprised of engineers, specialists, and technicians, our close-knit teams embed a stimulating and rewarding work environment that is conducive to high engagement and continuous improvement. Since employee engagement is a key priority, we conduct regular employee engagement surveys to track performance across key categories and understand our employee's perception about the Company.

Along with the employee engagement survey, we also launched an anonymous pulse survey to gain employees' views on topics such as talent and staffing, rewards and recognition, supervision, communication, and other important subjects to build a complete picture of the overall work environment. Furthermore, the pulse survey allows for tracking and progress on engagement actions identified. In our survey conducted in 2021, participation rate (capturing the voice of majority) was 73%, employee engagement score (Say-Stay-Strive) was 76%, and survey effectiveness score (feedback received and effective action taken) was 69%.

In addition to the surveys, we carried out a wide range of activities during the year to promote engagement and togetherness. Through these employee engagement initiatives, we identified areas of improvement and to build a more resilient business for the future.

Employee Wellbeing

Our employees are a critical element of our success. As a result, ADNOC Drilling offers highly competitive compensation to promote long-term employee retention. This does not only include monetary compensation but other benefits such as disability coverage which is included as part of the life insurance offered to all employees. In addition, in line with the UAE Government regulations, male and female employees are offered parental leaves of 5 days and 3 months, respectively. We also take into consideration our employees' productivity and efficiency prior to implementing any significant change that may affect the way in which employees perform their duties. A minimum of 1 month notice is offered to employees before undergoing a significant operational change.

Human Rights

ADNOC Drilling adheres to its Human Capital policies, compliance and ethics policies and UAE Labor Law to ensure employee welfare. Our core values include, 'We Are Respectful', which guides our policies and procedures pertaining to a zero-tolerance approach to discrimination or harassment of any kind in the workplace. We expect all employees to adhere to this principle and continue to work with honesty and integrity.

Our Workforce

Training and Development

ADNOC Drilling continues to build and enhance internal capabilities through training, and development. We actively invest in training and development of our employees to ensure the right knowledge and skills are present throughout the workforce. Our training offerings to employees compromises of over 9,500 courses, spanning from HSE and technical disciplines to leadership skills, business writing, communication skills, and influencing skills. Moreover, we have launched initiatives specifically designed for our line managers that are focused on uplifting their mindsets to become ambassadors of the company.

Our 2021 training efforts resulted in the completion of a total of 37,000 man-days of training. We delivered more than 1,700 training courses. Despite the challenges posed by the Covid-19 pandemic, we successfully completed 90% of our training plan and achieved the extension to the necessary certifications.

Turnover – By Employee Category	2019	2020	2021
Average hours of training that the company has given to males	50	44	42
Average hours of training that the company has given to females	12	39	19
Average hours of training that the company has given to senior-management	7	9	6
Average hours of training that the company has given to middle-management	39	69	48
Average hours of training that the company has given to staff (professional, operational and administrative)	49	43	39

Employees across ADNOC Drilling are subject to mid-year and year-end performance and career development reviews. We launched our Employee Performance Management System in 2021 to allow a holistic, 360 and transparent employee performance feedback. This ensures we design learning, align communication, and develop engagement activities to deliver maximum impact to our employees and company as a whole.

Drilling Training Centre (DTC)

The establishment of the DTC is part of our commitment to develop the next generation of drilling specialists and equipping them with the advanced skills and knowledge.

The DTC is a state-of-the-art learning facility that delivers a wide range of in-house training and development programs, including safety, technical and operational courses. The courses are led by industry experts with decades of expertise, who apply the state-of-the art technology to leverage modern learning methods and ensure effective learning.

In 2021, a total of 20,929 trainings were delivered to our workforce through the DTC.

Qyadat Program: Our Future Leaders' Training Initiative

ADNOC Drilling launched the first cohort of its Qyadat Program, a comprehensive training initiative that aims to nurture and prepare future leaders to support the Company's continued success.

The program aims to enable employees to maximize their potential and invest in their professional development. The program is designed to include coaching, mentorship, and experiential learning, with the aim of providing the participants with the skills and competencies required to lead with confidence and think innovatively.

ADNOC's December Learnathon: Knowledge Intensive Initiative

A group-wide virtual learning event was held in December 2021 on a variety of energy-related themes that included the fundamentals of energy transition, role of hydrogen in the Middle East, Artificial Intelligence (AI), decarbonization, and environmental best practices.

The learnings were led by international industry experts. A total of 12 sessions were conducted over a period of 4 days which was attended by 3,300+ employees.



Local Communities

ADNOC Drilling contributes to the UAE's socio-economic development through our Corporate Social Responsibility (CSR) programs.



Our CSR strategy focuses on ADNOC's CSR themes which impact CSR growth:

Community

Support local communities by focusing on social campaigns

Environment

Support environmental programs that contribute to the UAE's 2050 net-zero emissions goal

Economy

Create shared value with local businesses

Drilling a Well Competition

We conducted a Science, Technology, Engineering and Maths (STEM) competition called 'Drilling a Well Competition' to create awareness amongst students about the drilling industry. The initiative engaged students about ADNOC Drilling's operations and highlighted our role in supporting the energy sector. The competition was introduced on the Minecraft gaming platform where students learned about the different stages of drilling a well. As a part of this initiative, ADNOC Drilling representatives hosted virtual meetings via Zoom to interact with participants and answer their questions.

Our CSR plans and activities are managed by our Communications team who are responsible for planning, coordinating, and delivering the CSR activities and campaigns. Our CSR plan and the 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.

In addition to our CSR activities, we encourage our employees to take part in these on a voluntary basis. We adhere with the Social Risk Management (SRM) system which is a systematic approach to identifying and assessing the social impacts on communities and other stakeholders associated with an activity, project or process, and subsequent determination

of appropriate mitigation and monitoring practices. We engage with our communities and develop continuous dialogue with them. As a responsible service contractor, we provide full support to our clients and concession block owners in their endeavors to engage with local communities to address concerns related to the Upstream operations.

Youth Committee Initiative to Protect Our Environment

In 2021, our Youth Committee launched the 'Time for our Planet' initiative that contributes to ADNOC Drilling's strategic commitment to protect the environment.

The Youth Committee members along with their families gathered to carry out a beach clean-up at Al Shilaila Beach. The clean-up was organized to increase awareness of individual and collective commitment to protect the environment and minimize our impact on it.

Performance Data

Type	2019	2020	2021
Governance			
Board Diversity			
Percentage of Board seats occupied by females	29%	29%	29% (Pre-Listing) 14% (Post-Listing)
Percentage of Board seats occupied by males	71%	71%	71% (Pre-Listing) 86% (Post-Listing)
Economic			
Economic performance (Millions)			
Direct economic value generated through revenue	\$2,061.72	\$2,097.86	\$2,269.47
Economic value distributed	\$1,478.36	\$1,528.83	\$1,665.56
Economic value retained	\$583.36	\$569.03	\$603.91
Revenue breakdown			
Onshore		50.2%	
Offshore - Island		9.0%	
Offshore - Jack-ups		26.3%	
Oil Field Services		14.5%	
EBITDA proportion by business segments			
Onshore		47.1%	
Offshore - Island		12.2%	
Offshore - Jack-ups		33.9%	
Oil Field Services		6.8%	
Proportion of spending on local suppliers			
Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally).	45%	41%	63%

Type	2019	2020	2021
Environment			
Energy consumption			
Total electricity consumption (MWh)	6,981.61	7,095.61	7,010.86
Total fuel consumption within the company (Million US Gallons)	44.88	42.95	45.33
Energy intensity ratio (GJ/ Rig)	51,181	42,536	43,300
Water consumption			
Total water consumption from all areas (Million Liters)	959	882	687
Total fuel consumption within the company (Million US Gallons)	44.88	42.95	45.33
Water withdrawal			
Total withdrawal from ground water sources (Million Liters)	238.50	219.42	367.06
Total withdrawal from sea water sources (Million Liters)	13,132.28	12,081.70	26,358.40
Total withdrawal from third-party water sources (Million Liters)	720.51	662.87	803.85
Total withdrawal (Million Liters)	14,091.29	12,963.99	27,529.31
Water discharge			
Total water discharged to sea water	13,132	12,082	26,358
Emissions			
Gross direct (Scope 1) emissions (tCO ₂)	468,559	429,557	421,826.6
Gross location-based energy indirect (Scope 2) emissions (tCO ₂)	3,076	3,625	3,197
Total GHG emissions per output scaling factor. (tCO ₂ /Rig)	3,947	3,280	3,339
Waste directed to disposal			
Total used oil waste sent to BeAAT for recycling (Tons)	94.27	134.01	70.23
Total contaminated soil waste sent to BeAAT for recycling (Tons)	56.39	0	47.78
Total empty painting cans/empty drums waste sent to BeAAT for recycling (Tons)	50.22	238.47	60.74
Total organic liquid of washing station waste sent to BeAAT for recycling (Tons)	596.25	121.49	0
Total used batteries waste sent to BeAAT for recycling (Tons)	0.50	0.53	0
Total grit blast & swarf (Tons)	0	76.48	3.3
Total used vehicle filters sent to BeAAT for recycling (Tons)	0	0.4	7

Performance Data

Type	2019	2020	2021
Social			
Safety performance			
<i>For all employees (direct hire)</i>			
Rate of high-consequence work-related injuries (excluding fatalities)	0.28	0.53	0.40
Rate of recordable work-related injuries	1.26	1.64	0.90
Frequency of injury events	1.39	1.66	0.83
<i>For workers (contract)</i>			
Rate of high-consequence work-related injuries (excluding fatalities)	0.20	0.48	0.26
Rate of recordable work-related injuries	1.52	1.69	0.74
Turnover by employment category			
Senior management positions	0%	0%	0%
Middle management positions	1%	1%	1%
Staff (operational, professional, administrative)	1%	1%	1%
Turnover by gender			
Female employees	3%	1%	1%
Male employees	1%	1%	1%
Turnover by age group			
Age group of 18-30	1%	1%	2%
Age group of 31-40	2%	1%	1%
Age group of 41-50	1%	1%	1%
Age group of 51-60	2%	1%	2%
Age group of 60+	50%	0%	0%
Staff (operational, professional, administrative)	1%	1%	1%
New hire by employment category			
Senior management positions	17%	0%	0%
Middle management positions	12%	3%	3%
Staff (operational, professional, administrative)	11%	7%	6%
New Hire by Gender			
Female employees	7%	11%	3%
Male employees	11%	6%	6%

Type	2019	2020	2021
New hire by age group			
Age group of 18-30			
Age group of 18-30	3%	8%	5%
Age group of 31-40	14%	7%	7%
Age group of 41-50	14%	5%	5%
Age group of 51-60	6%	1%	2%
Employees in the workforce by gender			
Female employees	163	177	177
Male employees	6,655	6,542	6,532
Employees in the workforce by age group			
Age group of 18-30	1,485	1,254	1,053
Age group of 31-40	3,075	3,065	3,035
Age group of 41-50	1,558	1,669	1,866
Age group of 51-60	535	552	577
Age group of 60+	2	2	1
Emiratization			
Total number of national employees	1,637	1,614	
Number of employed Emirati women	162	158	
Percentage of national employees	0%	25%	25%
Average hours of training			
Average hours of training that the company has given to males	50	44	42
Average hours of training that the company has given to females	12	39	19
Average hours of training that the company has given to senior-management	7	9	6
Average hours of training that the company has given to middle-management	39	69	48
Average hours of training that the company has given to staff (professional, operational and administrative)	49	43	39

GRI Content Index

GRI Standard and ADX	Disclosure	Page number(s) (and/or URL(s)	Omissions and clarifications
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	Organizational profile		
	GRI 102-1 Name of the organization	04	
	GRI 102-2 Activities, brands, products, and services	04, 08	
	GRI 102-3 Location of headquarters	04	
	GRI 102-4 Location of operations	04	
	GRI 102-5 Ownership and legal form	04	
	GRI 102-6 Markets served	04	
	GRI 102-7 Scale of the organization	04, 07, 26, 27, 45	
	GRI 102-8 Information on employees and other workers	44-49	
	GRI 102-9 Supply chain	28, 29	
	GRI 102-10 Significant changes to the organization and its supply chain	28, 29	
	GRI 102-11 Precautionary Principle or approach	23	
	GRI 102-12 External initiatives	10, 16	
	GRI 102-13 Membership of associations	09	

GRI Standard and ADX	Disclosure	Page number(s) (and/or URL(s)	Omissions and clarifications
Strategy			
GRI 102-14 Statement from senior decision-maker			
Ethics and integrity	GRI 102-15: Key impacts, risks, and opportunities	23, 32	
	GRI 102-16 Values, principles, standards, and norms of behaviour	06	
	GRI 102-17 Mechanisms for advice and concerns about ethics	21, 22	
	Governance		
	GRI 102-18: Governance structure	18, 19	
	GRI 102-19: Delegating authority	18, 19	
	GRI 102-20: Executive-level responsibility for economic, environmental, and social topics	18, 19	
	GRI 102-21: Consulting stakeholders on economic, environmental, and social topics	12-15	
	GRI 102-22: Composition of the highest governance body and its committees	18-24	
	GRI 102-23: Chair of the highest governance body	18-20	
	GRI 102-24: Nominating and selecting the highest governance body	18-20	
	GRI 102-25: Conflicts of interest	22, 23	
	GRI 102-26: Role of highest governance body in setting purpose, values, and strategy	18-24	
Environmental, Social, and Governance (ESG) Topics	GRI 102-27: Collective knowledge of highest governance body	18-24	
	GRI 102-28: Evaluating the highest governance body's performance	18-21	
	GRI 102-29: Identifying and managing economic, environmental, and social impacts	12-13, 26-29, 30-37, 38-43, 44-51	
	GRI 102-30: Effectiveness of risk management processes	23	
	GRI 102-31: Review of economic, environmental, and social topics	18, 19	
	GRI 102-32: Highest governance body's role in sustainability reporting	20	
	GRI 102-33: Communicating critical concerns	23	
	GRI 102-34: Nature and total number of critical concerns	23	
	GRI 102-35: Remuneration policies	21	
	GRI 102-36: Process for determining remuneration	21	

Sustainability Report 2021

GRI Standard and ADX	Disclosure	Page number(s) (and/or URL(s)	Omissions and clarifications
Stakeholder engagement			
GRI 102-40 List of stakeholder groups		14, 15	
GRI 102-41 Collective bargaining agreements			Collective bargaining agreements are not permitted in the UAE
GRI 102-42 Identifying and selecting stakeholders		14, 15	
GRI 102-43 Approach to stakeholder engagement		14, 15	
GRI 102-44 Key topics and concerns raised		14, 15	
Reporting practice			
GRI 102-45 Entities included in the consolidated financial statements			Not applicable as ADNOC Drilling does not have any investments or subsidiaries relationship for preparing consolidated financial statements.
GRI 102-46 Defining report content and topic Boundaries	01		
GRI 102-47 List of material topics	13		
GRI 102-48 Restatements of information			Not Applicable as this is ADNOC Drilling's first sustainability report.
GRI 102-49 Changes in reporting	01		
GRI 102-50 Reporting period	01		
GRI 102-51 Date of most recent report			Not Applicable as this is ADNOC Drilling's first sustainability report.
GRI 102-52 Reporting cycle	01		
GRI 102-53 Contact point for questions regarding the report	01		
GRI 102-54 Claims of reporting in accordance with the GRI Standards	01		This report has been prepared in accordance with GRI Standards: Core Option
GRI 102-55 GRI content index	56-63		
GRI 102-56 External assurance			External assurance was not obtained for this report.

GRI Standard and ADX	Disclosure	Page number(s) (and/or URL(s)	Omissions and clarifications
Material Topics			
GRI 200 Economic Standard Series			
Economic Performance			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary GRI 103-2 The management approach and its components GRI 103-3 Evaluation of the management approach	26-29 26-29 26-29	
GRI 201: Economic Performance 2016	GRI 201-1 Direct economic value generated and distributed	26, 27	
Indirect Economic Impacts			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary GRI 103-2 The management approach and its components GRI 103-3 Evaluation of the management approach	28, 29 28, 29 28, 29	
GRI 203: Indirect Economic Impacts	GRI 203-2: Significant indirect economic impacts	28, 29	
Procurement Practices			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary GRI 103-2 The management approach and its components GRI 103-3 Evaluation of the management approach	28, 29 28, 29 28, 29	
GRI 204: Procurement Practices 2016	GRI 204-1 Proportion of spending on local suppliers	29	
Anti-corruption			
GRI 103: Management Approach 2016	GRI 103: Management Approach 2016 GRI 103-1 Explanation of the material topic and its Boundary GRI 103-2 The management approach and its components	22 22	
GRI 205: Anti-corruption 2016	GRI 103-3 Evaluation of the management approach GRI 205-1 Operations assessed for risks related to corruption GRI 205-2 Communication and training about anti-corruption policies and procedures GRI 205-3 Confirmed incidents of corruption and actions taken	22 22 22 22	In the last 3 years, ADNOC Drilling has had zero incidents of corruption and zero legal action regarding anti-competitive behavior and violations.

Sustainability Report 2021

GRI Standard and ADX	Disclosure	Page number(s) (and/or URL(s)	Omissions and clarifications
GRI 300 Environmental Standards Series			
Energy			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	32, 33	
	GRI 103-2 The management approach and its components	32, 33	
	GRI 103-3 Evaluation of the management approach	32, 33	
GRI 302: Energy 2016	GRI 302-1 Energy consumption within the organization	32, 33	
	GRI 302-3: Energy Intensity	33	
Water and Effluents			
GRI 103: Management Approach 2018	GRI 103-1 Explanation of the material topic and its Boundary	34, 35	
	GRI 103-2 The management approach and its components	34, 35	
	GRI 103-3 Evaluation of the management approach	34, 35	
GRI 303: Water and Effluents 2018	GRI 303-3 Water withdrawal	35	
	GRI 303-4 Water discharge	35	
	GRI 303-5 Water consumption	35	
Biodiversity			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	36	
	GRI 103-2 The management approach and its components	36	
	GRI 103-3 Evaluation of the management approach	36	
Emissions			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	34	
	GRI 103-2 The management approach and its components	34	
	GRI 103-3 Evaluation of the management approach	34	
GRI 305: Emissions 2016	GRI 305-1 Direct (Scope 1) GHG emissions	34	
	GRI 305-2 Energy indirect (Scope 2) GHG emissions	34	
	GRI 305-4: GHG emissions intensity	34	

GRI Standard and ADX	Disclosure	Page number(s) (and/or URL(s)	Omissions and clarifications
Waste			
GRI 103: Management Approach 2020			
GRI 103: Management Approach 2020	GRI 103-1 Explanation of the material topic and its Boundary	36	
	GRI 103-2 The management approach and its components	36	
	GRI 103-3 Evaluation of the management approach	36	
GRI 306: Waste 2020	GRI 306-5: Waste directed to disposal	36	
Environmental Compliance			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	30-32	
	GRI 103-2 The management approach and its components	30-32	
	GRI 103-3 Evaluation of the management approach	30-32	
GRI 400 Social Standards Series			
Employment			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	44-46	
	GRI 103-2 The management approach and its components	44-46	
	GRI 103-3 Evaluation of the management approach	44-46	
GRI 401: Employment 2016	GRI 401-1 New employee hires and employee turnover	44-46	
	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	47	
	GRI 401-3 Parental leave	47	
Labour/Management Relations			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	47	
	GRI 103-2 The management approach and its components	47	
	GRI 103-3 Evaluation of the management approach	47	
GRI 402: Labour/Management Relations 2016	GRI 402-1 Minimum notice periods regarding operational changes	47	

Sustainability Report 2021

GRI Standard and ADX	Disclosure	Page number(s) (and/or URL(s)	Omissions and clarifications
Occupational Health and Safety			
GRI 103: Management Approach 2018	GRI 103-1 Explanation of the material topic and its Boundary	38-43	
	GRI 103-2 The management approach and its components	38-43	
	GRI 103-3 Evaluation of the management approach	38-43	
GRI 403: Occupational Health and Safety 2018	GRI 403-1 Occupational health and safety management system	38, 39	
	GRI 403-2 Hazard identification, risk assessment, and incident investigation	42	
	GRI 403-3 Occupational health services	40, 41	
	GRI 403-4 Worker participation, consultation, and communication on occupational health and safety	43	
	GRI 403-5 Worker training on occupational health and safety	43	
	GRI 403-6 Promotion of worker health	43	
	GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	43	
	GRI 403-8 Workers covered by an occupational health and management system	38, 39	
	GRI 403-9 Work-related injuries	40, 41	
	GRI 403-10 Work-related ill health	40, 41	
Training and Education			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	48	
	GRI 103-2 The management approach and its components	48	
	GRI 103-3 Evaluation of the management approach	48	
GRI 404: Training and Education 2016	GRI 404-1 Average hours of training per year per employee	48	
	GRI 404-2 Programs for upgrading employee skills and transition assistance programs	48, 49	
	GRI 404-3 Percentage of employees receiving regular performance and career development reviews	48, 49	
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	44-46	
	GRI 103-2 The management approach and its components	44-46	
	GRI 103-3 Evaluation of the management approach	44-46	
GRI 405: Diversity and Equal Opportunity 2016	GRI 405-1 Diversity of governance bodies and employees	45	
	GRI 405-2 Ratio of basic salary and remuneration of female to male	44	

GRI Standard and ADX	Disclosure	Page number(s) (and/or URL(s)	Omissions and clarifications
Non-discrimination			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	06, 21, 47	
	GRI 103-2 The management approach and its components	06, 21, 47	
	GRI 103-3 Evaluation of the management approach	06, 21, 47	
GRI 406: Non-discrimination 2016	GRI 406-1 Incidents of discrimination and corrective actions taken	06, 21, 47	
Human Rights Assessment			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	47	
	GRI 103-2 The management approach and its components	47	
	GRI 103-3 Evaluation of the management approach	47	
GRI 412: Human Rights Assessment 2016	GRI 412-1 Operations that have been subject to human rights reviews or impact assessments		ADNOC Drilling adheres to its Human Capital policies, compliance and ethics and UAE Labor Law to ensure employee welfare.
Local Communities			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	50, 51	
	GRI 103-2 The management approach and its components	50, 51	
	GRI 103-3 Evaluation of the management approach	50, 51	
GRI 413: Local Communities 2016	GRI 413-1 Operations with local community engagement, impact assessments, and development programs	50, 51	
Customer Privacy			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	24	
	GRI 103-2 The management approach and its components	24	
	GRI 103-3 Evaluation of the management approach	24	
GRI 418: Customer Privacy 2016	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	24	

ADX Guidelines Content Index



ADX Guidelines	Disclosure	Page Number(s), link, and/or direct answer
Environment	E1 GHG Emissions	34
	E2 Emissions Intensity	34
	E3 Energy Usage	32, 33
	E4 Energy Intensity	32, 33
	E5 Energy Mix	32, 33
	E6 Water Usage	34, 35
	E7 Environmental Operations	30-32
	E8 Environmental Oversight	18-24
	E9 Environmental Oversight	18-24
	E10 Climate Risk Mitigation	32
Social	S1 CEO Pay Ratio	21
	S2 Gender Pay Ratio	44
	S3 Employee Turnover	44-46
	S4 Gender Diversity	44-46
	S5 Temporary Worker Ratio	44-46

ADX Guidelines	Disclosure	Page Number(s), link, and/or direct answer
Governance	S6 Non-Discrimination	06, 21, 47
	S7 Injury Rate	40, 41
	S8 Global Health & Safety	38-43
	S9 Child & Forced Labor	06, 21, 47
	S10 Human Rights	47
	S11 Nationalization	47
	S12 Community Investment	50, 51
	G1 Board Diversity	20
	G2 Board Independence	20
	G3 Incentivized Pay	21
	G4 Supplier Code of Conduct	28, 29
	G5 Ethics & Prevention of Corruption	06, 21, 22
Economic	G6 Data Privacy	24
	G7 Sustainability Reporting	01
	G8 Disclosure Practices	01
	G9 External Assurances	External assurance was not obtained for this report.



adnocdrilling.ae