

# 2023 SUSTAINABILITY REPORT

## MAINTAINING FOCUS & RESILIENCE TOWARDS SUSTAINABILITY



# CONTENTS



## KEY HIGHLIGHTS

# BACKGROUND

Saudi Aramco Rowan Offshore Drilling Company (hereafter referred to as “ARO Drilling”) is pleased to release second annual sustainability report under the theme “Maintaining Focus and Resilience Towards Sustainability”.

This report highlights our approach, performance, and achievements in 2023 that have been accomplished by contributing towards the three main pillars of our sustainability strategy – Protecting Our Planet; Caring For People; and Governance and Transparency.

## REPORTING PERIOD

This report covers disclosures aligned with our material topics from our operations for financial period ending 31 December 2023.



## REPORTING GUIDELINES

### GLOBAL REPORTING INITIATIVE (GRI)



Our report is prepared with reference to GRI standards, which are widely seen as the global best practices for sustainability reporting.

### SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)



Our report is aligned with relevant sector-specific SASB reporting standards to guide disclosures on sector-specific ESG aspects.

### INTERNATIONAL PETROLEUM INDUSTRY ENVIRONMENTAL CONSERVATION ASSOCIATION (IPIECA)



Our report utilizes the widely recognized IPIECA reporting guidance for the oil and gas industry to ensure industry-specific disclosures within this report.

#### Publication Date:

This sustainability report was published in September 2024.

#### Contact:

**Department:** Business Development and Marketing

**Telephone:** +966 13 8133500

**Email:** [contactus@arodrilling.sa](mailto:contactus@arodrilling.sa)



## MESSAGE FROM THE CEO

In 2022, we embarked on a journey of sustainability reporting, driven by our commitment to responsible practices at ARO Drilling. We view sustainability as a fundamental belief, rooted in the understanding that each of us, as individuals and community members, bears a responsibility to protect the future of our ecosystem. Our inaugural sustainability report was a milestone, but it is only the beginning. Today, as we issue our second report, we reaffirm our focus and ambition in this journey.

In preparation for our 2023 reporting, we conducted a comprehensive materiality assessment, engaging internal and external stakeholders. Through a series of interviews with key personnel across our organization, we captured diverse perspectives and insights that provided us with clear focus areas, such as managing greenhouse gas emissions, ensuring worker health, and upholding strict business ethics.

By involving voices from all levels of our organization and beyond, we have ensured that our initiatives are comprehensive and reflective of the values and expectations of those we serve. As a result, we confidently

advance, guided by this collective mandate.

Operationally, we are committed to sustainability through energy-efficient practices and technologies, aiming to optimize drilling operations while minimizing our environmental footprint. Our focus extends beyond compliance; we strive to lead by example, embracing innovative solutions to reduce emissions and preserve natural resources.

Another key pillar of our approach is a strong commitment to safety. We firmly believe that our employees' well-being is paramount. By instilling a culture of safety in every aspect of our operations, we ensure that our workforce remains protected, productive, and empowered to contribute to the company's success.

At ARO Drilling we strive for a sustainable future where responsible people and practices are the norm. We are proud of the progress we have made, but our ambition goes far beyond. Thank you to all our stakeholders for their support and contribution as we navigate this journey together!



Mohamed Hegazi  
ARO Drilling CEO



# ARO DRILLING AT A GLANCE

ARO Drilling (Saudi Aramco Rowan Offshore Drilling Company) is a joint venture between Saudi Aramco, the world's largest oil and gas company, and Valaris Companies, an industry-leading global drilling contractor.

We are a world-class offshore drilling contractor that owns, operates, and manages a fleet of high-specification and premium jack-up Rigs in Saudi Arabia. ARO Drilling provides its services exclusively to Saudi Aramco.



It is anticipated that demand for drilling services will **significantly continue to grow** in the coming years.

As a result of this development, our organization is committed to purchasing up to

 **20 newbuild jack-up Rigs**  
**over the next 10 years**

to meet Saudi Aramco's offshore drilling requirements in the Kingdom.

Approach to procurement of these Rigs has been phased out and delivery of the 1<sup>st</sup> phase took place in 2023.

## MILESTONES

**2016**

Rowan partners with Saudi Aramco to create new offshore drilling company

**2017**

ARO Drilling announces commencement of operations

**2018**

ARO Drilling awarded six three-year contracts by Saudi Aramco

**2019**

ARO Drilling awarded five three-year contracts by Saudi Aramco

**2020**

First steel cut for ARO Drilling's first of two new-build jack up Rigs

**2022**

ARO Drilling awarded three-year contract by Saudi Aramco

**2023**

ARO Drilling awarded five-year contract by Saudi Aramco  
Delivery of first Saudi Jack-Up Rig – "Kingdom 1"

## DELIVERY OF THE FIRST SAUDI JACK-UP RIG: KINGDOM-1

At a ceremony named “Kingdom-1”, ARO Drilling celebrated the delivery of the first jack-up rig, signifying a significant stride towards sustainable offshore drilling practices and strengthens ARO Drilling’s position as a leading contractor in Saudi Arabia. Constructed by International Maritime Industries (IMI), this project showcases ARO’s commitment to excellence and industry-leading standards, fostering job creation and economic diversification.

The organization’s commitment to localization is demonstrated by the significant involvement of Saudi nationals.

The successful delivery and naming of Kingdom-1 marks a major milestone for ARO Drilling. This project will drive localization, boost the Saudi maritime industry, and create demand for drilling services.

This project drives economic growth, demonstrates environmental commitment, and fosters local development. ARO Drilling is positioned to lead sustainability in the growing Saudi energy market.



**Technological  
Integration**



**Safety  
Features**



**Environmental  
Considerations**



**Automation and  
Operational Efficiency**



**Data Analytics and  
Real Time Solutions**

## HIGHLIGHTS

**7 years** since start of joint venture  
between **Saudi Aramco and Valaris**



**8**  
**ARO Owned Rigs**



**8**  
**ARO Leased Rigs**

PROTECTING OUR  
PLANET

**154,394 tCO<sub>2</sub>e**  
Scope 1 And 2 Emissions



**653.78 MT**  
Waste Generated



**Zero** Significant  
Spill Incidents

## CARING FOR PEOPLE



**2,174** Employees



**0.22** Total Recordable  
Incident Rate (TRIR)



**+ 240,000** hours  
spent on training and development  
across the organization



**\$ 1 million**  
Spent on Community  
Initiatives



**36** Nationalities  
Represented



**71%** of Senior Management  
from Saudi Arabia

GOVERNANCE AND  
TRANSPARENCY

**100%** Completion Rate  
for Ethics Training



**1,235** Cumulative Hours  
of Training on  
Human Rights



**Zero** Major Security  
or Cybersecurity  
Incidents



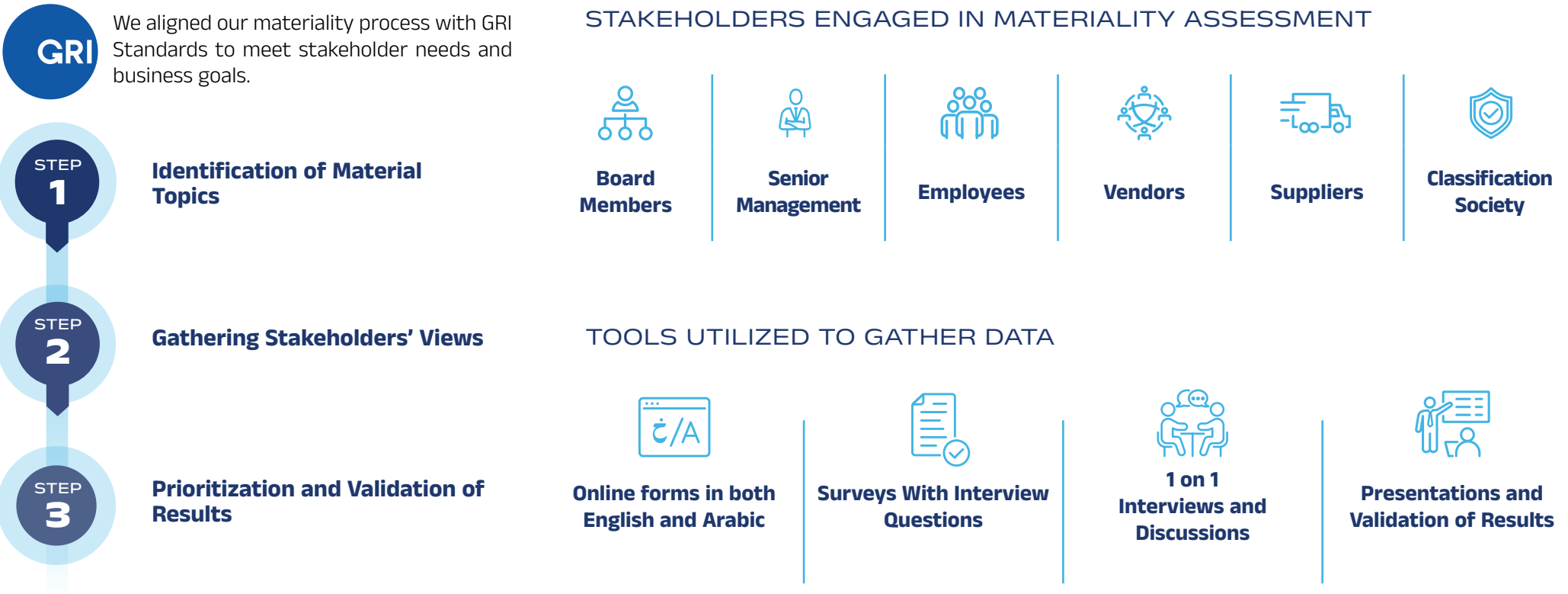
# STRATEGY

Materiality Assessment	9
Stakeholder Engagement	11
Our Sustainability Strategy	12
ARO Aligning Vision 2030	13



# MATERIALITY ASSESSMENT

A materiality assessment is vital for organizations to identify their most significant issues and inform decision-making. Having recognized its strategic importance, we embarked on conducting our first materiality assessment to identify key material matters that are specific to our operations and our stakeholders.



The materiality matrix below provides a visual representation of our key findings from the various perspectives we recorded during the assessment.



Taking cognizance of the fact that the success of sustainability initiatives predominantly relies on the active participation and buy-in of the various stakeholders, our organization places a high value on ongoing engagements with a diverse range of stakeholders with the view integrating their perspectives into the organization's plans, strategies and objectives.



# STAKEHOLDER ENGAGEMENT

ARO Drilling prioritizes open communication with stakeholders to foster mutual understanding and ensure our actions align with their interests.

	 <b>STAKEHOLDER GROUP</b>	 <b>STAKEHOLDER ENGAGEMENT METHOD</b>
<b>INTERNAL</b>	ARO Board of Managers	Board Meetings
	ARO Employees	Engagement Surveys
	Legal/Compliance Specialists	Compliance Awareness Sessions
	Technical/Subject Matter Experts	Selected Groups
<b>EXTERNAL</b>	Saudi Aramco/Valaris	Board Meetings: BAC , BCC-1, BCC-2, P&FC
	Community Groups	Corporate Social Responsibility (CSR)
	Suppliers and Contractors	Quarterly Business Review Meetings
	Customers	Surveys/Focus Groups/Operational Meetings
	Academics/Thought Leaders	Professional Networks/IADC/SPE/IPTC/IKTVA

## INDUSTRY ASSOCIATIONS



International  
Association of Drilling  
Contractors (IADC)



Society of Petroleum  
Engineers (SPE)



International Petroleum  
Technology Conference  
(IPTC)



In-Kingdom Total  
Value Add (IKTVA)



Transport General  
Authority (TGA)



The Marshall  
Islands Registry



Middle East Oil, Gas and  
Geosciences Show (MEOS)



Offshore Petroleum  
Industry Training  
Organisation (OPITO)



American Bureau of  
Shipping (ABS)

# OUR SUSTAINABILITY STRATEGY

We developed our sustainability strategy to align with the United Nations Sustainable Development Goals (UN SDGs); thereby demonstrating our commitment to actively supporting these global objectives through our three core strategic pillars.



## PROTECTING OUR PLANET



### Environment

Waste Management  
Water Management  
Marine Biodiversity Preservation

### Climate Change and Energy

GHG Emissions Management  
Air Emissions Management  
Energy Management



## CARING FOR PEOPLE



### Social

Workforce Diversity and Inclusion  
Workforce Management  
Social Investment  
Human Rights

### Safety, Health and Security

Workforce Health and Safety Protection  
Process Safety  
Crisis Risk Management



## GOVERNANCE AND TRANSPARENCY

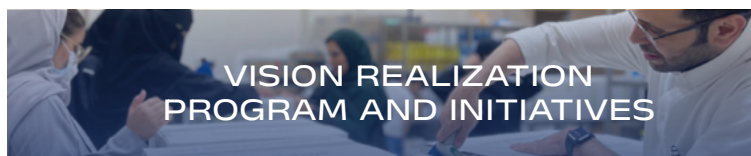


### Governance and Business Ethics

Corporate Governance  
Cybersecurity  
Ethics and Compliance  
Adherence and Compliance to Regulatory Requirements  
Sustainable Supply Chain and Local Content

# ARO ALIGNING VISION 2030

In Saudi Arabia, ESG practices are rapidly gaining momentum and are essential for economic diversification and sustainable development. These factors have significantly influenced corporate behavior, fostering responsible business conduct within the Kingdom. Saudi Arabia Vision 2030's goal is to ensure the Kingdom's future sustainability. Built on three core themes, Vision 2030 strives to achieve the following strategic objectives: enhance government effectiveness, promote social responsibility, diversify the economy, and boost employment.



## National Transformation Program (NTP)

The program aims to improve economic conditions and living standards by enhancing operational efficiency and building necessary infrastructure.

ARO supports Vision 2030 by implementing advanced technologies, energy efficiency, and local sourcing to address industry challenges.



## Quality of Life Program

The program aims to empower people, improve health, and create better cities. It also focuses on economic growth, job creation, and urban beautification to enhance overall quality of life.

ARO promotes inclusive hiring, supports community groups, and donates nearly \$1 million to improve quality of life in the Kingdom.



## Human Capability Development Program

The program empowers Saudi citizens by aligning education with job needs, fostering innovation, and developing skills to maximize potential.

ARO helps employees achieve career goals through diverse development opportunities. We offer training, higher education, and skill enhancement programs. To accommodate various learning styles and locations, we provide formal courses, e-learning, simulations, and on-the-job training.



## Saudi Green Initiative

This program aims to reduce emissions, restore land, and protect the environment. It's a key part of Vision 2030's goal of achieving Net Zero by 2060.

ARO is committed to reducing its environmental impact. We are improving operational efficiency and reducing carbon emissions to align with Saudi Vision 2030's Net-Zero target by 2060. We are using engine efficiency monitoring devices to track GHG emission. ARO prioritizes marine ecosystem protection. We conduct stringent environmental impact assessments and reported no significant oil spills in FY2023.

In alignment with Vision 2030, we aim to contribute to the Kingdom's economic and social progress through initiatives detailed in this report.



# PROTECTING OUR PLANET

Environment 15

Climate Change and Energy 19





# ENVIRONMENT

ARO Drilling is aware of the impact that its operations could have on the planet, which in turn could impact the local communities in which it operates. While energy security is vital, ARO ensures that it takes the necessary steps to preserve the environment while still providing the energy that adjacent communities and others require.

## Material Topics



Waste  
Management



Water  
Management



Marine Biodiversity  
Preservation

**143,015 m<sup>3</sup>**

of Fresh Water  
Consumed

**653 MT**

of Waste Generated  
in 2023

**ZERO**

significant oil spill  
incidents across all Rigs  
in 2023

6 CLEAN WATER  
AND SANITATION



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



13 CLIMATE  
ACTION



14 LIFE BELOW  
WATER



# WASTE MANAGEMENT

Waste is responsibly managed by four key principles: **reduction, reuse, recycling, and proper disposal**. Management manuals are developed and list all necessary to meet all international and regional regulations.

## Offshore Waste Management

- › Adhere to client's requirements.
- › Consistently collaborate with approved vendors approved by our clients and certified by credible organizations to ensure the correct handling and disposal of our waste.

## Onshore Waste Management

- › Implement a comprehensive waste management program that aims to minimize waste generation.
- › Actively encourage reduce, reuse and recycling initiatives.

## RECYCLING AT ARO

The ARO Recycling Program was launched in 2022 and this is primarily regarded as a major demonstration of ARO's commitment to minimizing waste. This program ensures recyclable materials like plastic, paper, cardboard, and glass are sorted and segregated at source. This approach not only reduces ARO's environmental footprint but it also promotes circularity in our operations.



Plastic

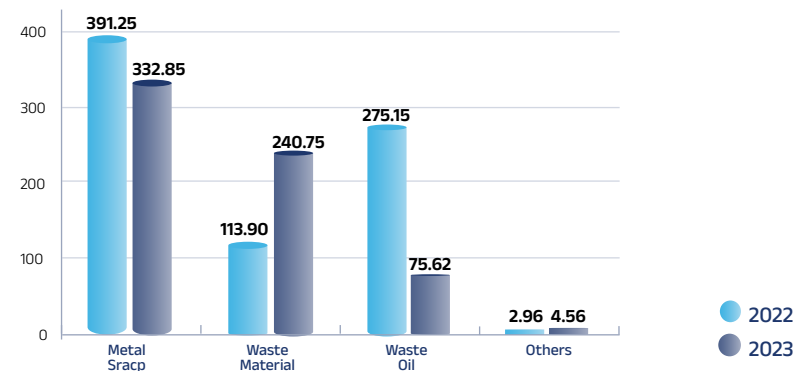


Paper, Cardboard



Glass

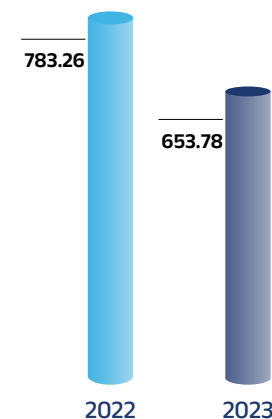
## Waste Generated (MT)



## Total Waste Generated (MT)

Through our efforts and initiatives, the total waste generated by ARO

**decreased by 16%**  
from 783 MT in 2022  
to 653 MT in 2023





# WATER MANAGEMENT

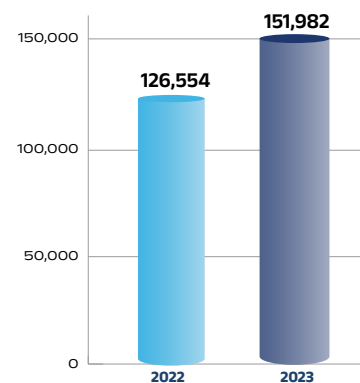
Water is an invaluable resource that plays two critical roles on ARO's offshore Rigs: as potable water for our employees, and as a vital drilling element. We can ensure a reliable and sufficient supply of potable water for our crew by installing desalination units on every Rig and supplementing with fresh water sourced from shore.

## DISCHARGES TO SEA

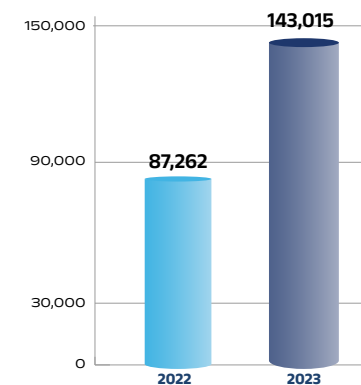
ARO adheres to MARPOL regulations for responsible wastewater management. Our rigorous effluent management includes regular monitoring and third-party verification.

## WATER USAGE

### Total Water Consumption (m³)



### Total Freshwater Handled in Operations<sup>1</sup> (m³)



<sup>1</sup> ARO does not operate any Rigs in freshwater environments, and do not extract water from these sources.



# MARINE BIODIVERSITY PRESERVATION

Biodiversity conservation and marine pollution prevention are essential principles that ARO strives to align with its operations through strict compliance. ARO's offshore activities mitigate the potential adverse impact on marine ecosystems and address concerns such as air and water pollution, as well as the introduction of invasive species. ARO has identified some key areas where operations may affect marine ecosystems and have outlined the following actions.



## BALLAST WATER DISCHARGE

We follow strict Ballast Water Management Plans aligned with the international standards, minimizing the chance of disrupting ecosystems.



## BIOFOULING

Our Rigs undergo regular inspections and cleaning to reduce and remove marine growth.

## OUR RESULTS

In 2023, we are pleased to report that due to our diligent work, there were no significant oil spill incidents across all rig operation sites.



## DISCHARGE AT SEA

We use the highest control standards, the most recent technological systems, and robust oil spill implementation of an emergency plan.

Additionally, we are committed to upholding all relevant laws and regulations in the areas we operate in.

# CLIMATE CHANGE AND ENERGY

ARO is committed to ensuring sustainable energy for the future while mitigating the effects of climate change. In achieving this objective, the organization diligently oversees its electricity consumption and emissions, while consistently working towards enhancing operations via new technology, innovative practices, and advanced monitoring techniques.

## Material Topics



GHG Emissions  
Management



Air Emissions  
Management



Energy  
Management

Scope 1  
Emissions

**153,658** tCO<sub>2</sub>e

Scope 1  
Emission Intensity

**29** tCO<sub>2</sub>e/  
Operation Day

Scope 2  
Emissions

**736** tCO<sub>2</sub>e

Total Energy  
Consumed

**2,073,504** GJ



# GHG EMISSIONS MANAGEMENT

Our GHG Emissions are reduced by implementing energy-efficient practices and investing in renewable energy sources.

## SCOPE 1 GHG EMISSIONS

Our Scope 1 emissions are primarily generated by the combustion of diesel fuel on our Rigs, which essentially powers functions such as drilling operations, machinery use, lighting, and freshwater generation. **For 2023, our Scope 1 emissions totaled 153,658 tCO<sub>2</sub>e, representing an increase of 5,040 tCO<sub>2</sub>e or 3.4% compared to 2022.**

Scope 1 Emissions			
Criteria	2021	2022	2023
<b>Fuel Consumption</b> (Liters)	53,264,578	55,043,820	<b>56,910,211</b>
<b>Scope 1 Emissions</b> (tCO <sub>2</sub> e)	143,065	148,618	<b>153,658</b>

- Operation Days used are total operation days of ARO Rigs excluding out of service periods for major maintenance or modifications or downtime due to equipment failure/incidents.

This increase is attributed to an overall rise in operating hours, as well as to the transitioning of several Rigs into drilling mode, which is significantly fuel-intensive than workover or plug and abandonment (P&A) operations. **Notably, our operating days increased by 196 days (5,093 in 2022 compared to 5,262 in 2023) 5,093 to 5,262 between 2022 and 2023,** as several Rigs returned to operation following the completion of significant upgrade or contract preparation projects. This growth in operational activity contributed to the increase in our Scope 1 emissions.

## SCOPE 2 GHG EMISSIONS

ARO's Scope 2 emissions were calculated based on the electrical energy consumption of our shore-based operations, which comprise our main office, two warehouses and our training center.

Scope 2 Emissions			
Criteria	2021	2022	2023
<b>Purchased Electricity Consumption</b> (kWh)	1,152,342	1,153,032	<b>1,294,921</b>
<b>Scope 2 Emissions<sup>3</sup></b> (tCO <sub>2</sub> e)	655	655	<b>736</b>

- Purchased electricity for ARO offices, warehouses, and training center.
- Scope 2 emissions calculated based on emission factors provided by Saudi Arabia Designated National Authority: Clean Development Mechanism.



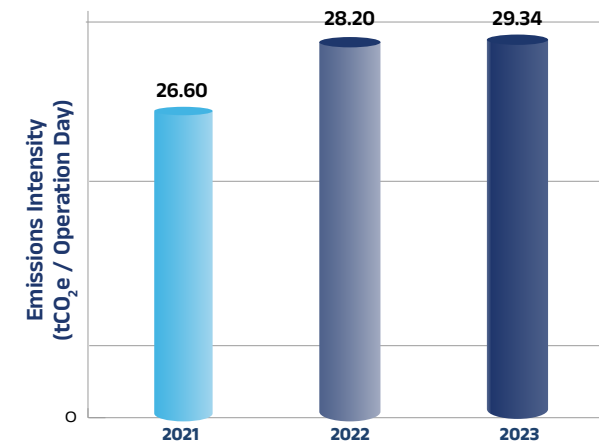
## SCOPE 3 GHG EMISSIONS

We are committed to conducting a comprehensive Scope 3 mapping study that aligned with the GHG Protocol by the next reporting cycle.

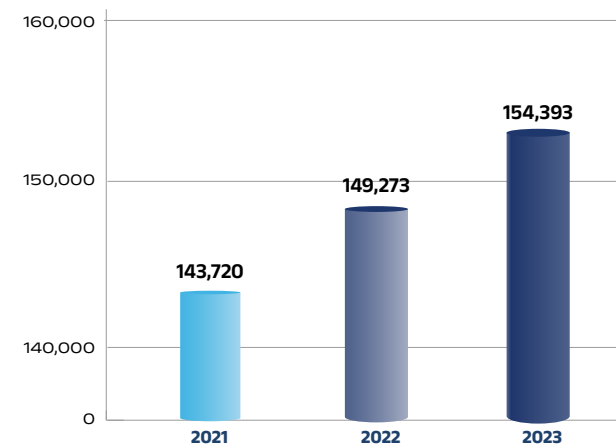
Emissions Intensity			
Criteria	2021	2022	2023
<b>Total Emissions</b> (tCO <sub>2</sub> e)	143,720	149,273	<b>154,393</b>
<b>Operation Days</b>	5,402	5,093	<b>5,262</b>
<b>Emissions Intensity</b> (tCO <sub>2</sub> e /Operation Day)	26.60	28.21	<b>29.34</b>



### ARO GHG Emissions Intensity



### Total Emissions (tCO<sub>2</sub>e)



# AIR EMISSIONS MANAGEMENT

We are committed to enhancing our environmental monitoring and reporting by expanding its scope to include a range of air emissions beyond greenhouse gases. Specifically, we will be tracking and disclosing emissions of carbon monoxide (CO), nitrogen oxides (NOx), sulfur oxides (SOx), and volatile organic compounds (VOCs), which are primarily generated by the combustion of diesel fuel in our operations.

# ENERGY MANAGEMENT

Energy management is critical to ARO's activities given its direct impact on operational efficiency, cost reduction, and environmental stewardship. Having gathered and analyzed emissions data over the last three years, ARO is now poised to implement concrete emission reduction strategies.

## ENERGY MANAGEMENT INITIATIVES



### OPERATIONAL EFFICIENCY MEASURES

- › **Established an Operational Excellence and Efficiency (OEE) department** to optimize drilling operations and reduce flat time.
- › **Introduced a Rig Sustainability Program** to monitor and minimize rig diesel consumption, focusing on refining procedures and engine management.



### INVENTORY AND PROCUREMENT OPTIMIZATION

- › **Introduced a shared virtual inventory** concept prioritizing internal fleet equipment over external suppliers, reducing third-party purchases and associated fuel consumption.



### ENERGY CONSERVATION OPERATIONS

- › On-going plan to **replace rig lighting with energy-efficient LED** solutions to reduce overall energy consumption.

## EMISSIONS SENSORS FOR DIRECT MEASUREMENT OF ARO'S GHG EMISSIONS

To provide real-time GHG emissions data, we have shifted from fuel consumption estimates to the installation of emissions sensors across our operations. This allows us to optimize fuel consumption and identify areas for improvement, aiming to reduce our environmental footprint.



ARO is actively exploring a range of innovative solutions offered by diverse technology providers to accelerate our decarbonization efforts.



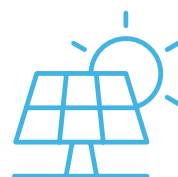
### FUEL ADDITIVES AND ENHANCERS

- › The application of advanced fuel additives and enhancers has the potential to **optimize the combustion process** within our Rigs; and drilling equipment.



### POWER MANAGEMENT SYSTEMS

- › New systems are currently being integrated into our offshore fleet to **streamline performance monitoring and further optimizing our power usage.**



### ENERGY CONSERVATION INITIATIVES

- › We are researching the use of **on-site renewable energy** to reduce our overall GHG emissions and our dependence on diesel generators and the local power grid.



# CARING FOR PEOPLE

Social	25
Health, Safety and Security	34





# SOCIAL

ARO is constantly working on developing and improving its employees' well-being and provide them with opportunities for professional career growth and advancement.

## Material Topics



Workforce  
Diversity and  
Inclusion



Workforce  
Management



Social  
Investment



Human  
Rights

**2,174**

Employees

**74.1%**

Saudi  
Employees

Over  
**240,000**  
total training  
hours across the  
organization

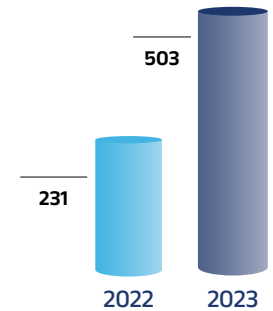
Close to  
**\$ 1  
million**  
in contributions  
and sponsorships



# WORKFORCE DIVERSITY AND INCLUSION

ARO is committed to fostering a diverse and inclusive workplace where everyone's talent is valued. We believe a variety of perspectives strengthens our organization. To achieve this, we're balancing local talent development with the benefits of a global workforce. By partnering with educational institutions, we're investing in long-term talent acquisition, training, and retention.

New Hires



## Women's Leadership and Growth:



Women constitute **14%** of our onshore workforce and hold **15%** of leadership positions.

## Workforce Expansion and Diversity:



**503** new employees, including an increase in female hires from 5 in 2022 to 13.

## Strong Local Talent Focus:



Saudi nationals make up **74.1%** of our workforce, reflecting our dedication to local employment.

## Global Perspective:



While prioritizing local talent, we also value diversity of thought by employing individuals from **36** different nationalities.

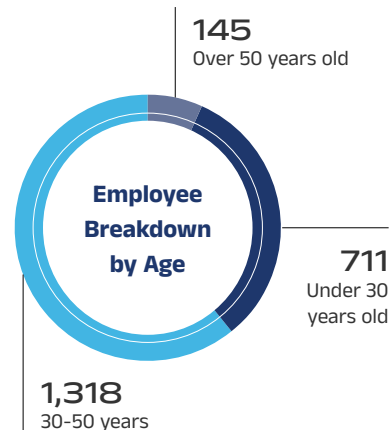
## TOTAL EMPLOYEES

**2,174**



## Offshore Employees

**1,876**



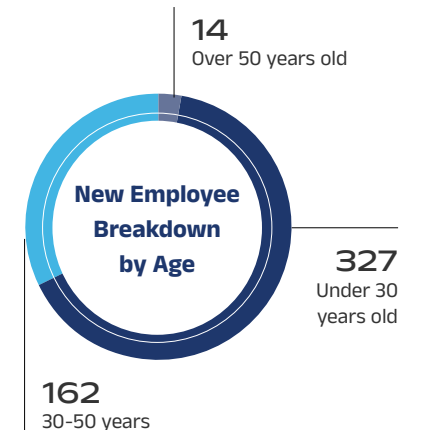
## Onshore Employees

**298**



## New Employees

**503**



# WORKFORCE MANAGEMENT

A thriving workforce is cultivated by providing competitive workplace benefits, comprehensive training and inclusive well-being initiatives. We believe in providing a supportive environment that promotes both professional and personal development for our employees.

## WORKPLACE BENEFITS

The variety of benefits that are offered at ARO speak to the specific needs and desires of our workforce. Each group of employees, both onshore and offshore, receives additional tailored benefits that significantly contribute to the fulfillment of their lives while also contributing to ARO's growth.



### KEY WORKPLACE BENEFITS

- Life Insurance
- Healthcare
- Comprehensive Savings Plan for Western Expatriates
- Retirement Provisions
- Housing Allowance
- Transportation Allowance
- Expatriate Levy
- Service Awards
- Parental Leave



### ADDITIONAL ONSHORE EMPLOYEE BENEFITS

- Assignment Relocation Allowance
- New Hire Allowance
- Annual Incentive Plan
- Work From Home Options
- Employees Status Change Allowance
- Food Allowance
- Out of Kingdom Assignment Allowance
- Home Leave Allowance for Expats
- Dependent Schooling for Managers



### ADDITIONAL OFFSHORE EMPLOYEE BENEFITS

- Attendance Bonus
- Position Covering Allowance
- Foreign Service Premium Allowance for Expats
- Monthly and Weekly Incentive Program
- Rig Performance Awards

## WELL-BEING AND ENGAGEMENT INITIATIVES

As employees are the heart of ARO, we look after their well-being and create a productive work environment where they feel satisfied, motivated, and engaged.

### » Employee Engagement Survey

The feedback received through this survey is consolidated and presented to senior management, opening discussions to new initiatives and programs suggested by employees, highlighting our commitment to continuous improvement.



**In 2023, we received a 66% engagement rate (compared to 59% in 2022)**

### » HR Check-ins

Our HR department conducts regular visits to our Rigs for offshore staff, providing insights and addressing concerns, while onshore staff benefit from organized sessions for voicing concerns and seeking resolutions.

### » Team Bonding Events

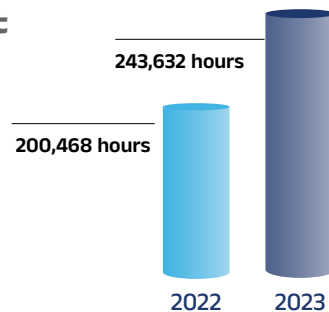
ARO fosters employee cohesion and satisfaction through team-building events organized by the Social Committee. These events create a sense of community and strengthen connections among our workforce.

## CAREER DEVELOPMENT AND TRAINING

In 2023, **a total of 243,632 hours were spent on training and development across organization**. Since 2022, the average number of training hours per employee has increased by 8.9 hours, while the total number of training hours provided has increased by 42,164.

In addition to e-learning, ARO uses various other learning methods for skill acquisition and mastery. ARO's cutting-edge training facility, complete with simulators, allows employees to immerse themselves in complex drilling, engineering, and other critical scenarios.

### Training and Development Hours



### E-learning resources:



### KEY COURSES OFFERED IN ARO TRAINING CENTER

#### 1 Technical Skills Training

Drilling Practices  
Drilling Calculations

Rig Drilling Equipment  
Cyber Base Pipe Handling

#### 2 Safety and Compliance Training

IADC Well Control Driller Level 3  
IADC Well Control Supervisor Level 4  
IADC RigPass

H2S Safety  
Scaffolding Safety  
Spill Prevention Awareness

#### 3 Professional Development and Management Training

Drilling for Non-Drillers

Crew Resource Management

#### 4 Language Development

English Development (ARO ENG Level 1-12)





## ARO LEADERSHIP DEVELOPMENT

We have designed of growth-oriented programs and courses to help employees prepare for future challenges and maximize their potential. By investing in employee development, ARO ensures its workforce is prepared to navigate changing business environments and drive innovation.

Employee development programs in Saudi Arabia significantly impact on Saudization efforts because they empower local talent and improve skills within the country. These initiatives aim to train and advance Saudi nationals, reduce reliance on expatriate labor, and promote economic diversification.

### ARO'S SAUDI TALENT'S PROGRAM

#### Accelerated Leadership Program (ALP)

A multi-year program focused on young Saudi engineers to develop both offshore and onshore skills to become the future leaders.

#### Leadership Development Program

3-year program structured against ARO's Behavioral Competency Framework.

#### Accelerated Development Program (ADP)

Broad training program consisting of both on and off-the-job components for high potential ARO employees.

#### Career Development Program (CDP)

A workforce management program allows all employees at ARO to proactively plan, engage with leadership, and continually evolve their career paths.

#### Apprenticeship Programs

An internship program opens to students of Saudi Arabian Drilling Academy (SADA) and Saudi Petroleum Services Polytechnic (SPSP).

The subsequent section covers in more depth the developmental programs outlined above:

### ACCELERATED LEADERSHIP PROGRAM (ALP)

The ALP is designed to cultivate the talents of young Saudi engineers, molding them into proficient professionals both offshore and onshore. The program uses a phased approach to ensure a structured environment of learning combining theoretical knowledge with practical hands-on experience, mentorship opportunities, and tailored development plans, ultimately empowering participants to become well-rounded and capable leaders.

**We currently have 29 ALP Engineers going through the program.**

#### ALP ENGINEERS JOURNEY

As part of my journey at ARO Drilling, I participated in the ALP, gaining valuable insights and skills in rig operations, maintenance, and onshore assignments.

Throughout the program, I worked on initiatives aimed at enhancing operational efficiency and collaboration across departments, resulting in notable achievements such as streamlining payment processes, implementing data-driven solutions for better decision-making, and optimizing procurement processes.

Additionally, I gained in-depth technical knowledge in drilling practices and equipment. My experience in the ALP has positioned me as a strong candidate for future leadership roles within ARO Drilling, equipped with a comprehensive skill set and a commitment to sustainability.



**Talib Alsayed** ALP Engineer

## LEADERSHIP DEVELOPMENT PROGRAM

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ARO partnered with Franklin Covey, a global leader in facilitating culture change through award-winning content, tools, methodology, training, and coaching, to develop a three-year leadership development program that is consistent with ARO's Behavioral Competency Framework (BCF).



### Recruitment and Selection

By assessing and quantifying behavioral competencies, we introduce increased objectivity in the recruitment and selection processes, ensuring the right talent is brought on board.



### Enhance Competencies

Our primary objective is to enhance the behavioral competencies of employees at all levels within the company. This development is aimed at increasing safety, efficiency, and productivity.



### Alignment with Values

We focus on structured development of behaviors that align with our organizational values and strategic objectives. This alignment is crucial for achieving long-term success.



### Career Paths

The BCF serves as a solid foundation for defining clear career paths for our employees, helping them grow and excel within ARO.

## ACCELERATED DEVELOPMENT PROGRAM (ADP)

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We appoint a special committee to identify and select high-potential ARO employees, who then enroll in a comprehensive training program that includes both on-the-job and off-the-job components. To meet ARO's future workforce requirements, this program aims to accelerate these employees' career development and enhance their skill set for their specific roles. Upon completion of the program, participants receive officially documented certificates in SkillsVX and receive preference during promotion considerations.

## CAREER DEVELOPMENT PROGRAM (CDP)

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This workforce management program enables all ARO employees to plan ahead of time, collaborate with leadership, and continuously evolve their career paths. Because each employee is a unique individual, the CDP provides a structured framework for employees to express their career goals while leveraging their strengths and placing them in suitable roles. This program includes skills training, mentoring, coaching, and access to resources that will help you advance in your career.

## APPRENTICESHIP PROGRAMS

The Saudi Arabian Drilling Academy (SADA) and the Saudi Petroleum Services Polytechnic (SPSP) offer invaluable hands-on learning opportunities through apprenticeships in collaboration with ARO. These programs combine theoretical knowledge with the practical skills developed by industry workers. They are critical in enabling individuals to launch successful careers by addressing skill shortages and promoting economic growth. In 2023, we welcomed 16 new apprentices from SADA and 22 from SPSP and are excited to see their development with ARO.



### ADDITIONAL SKILL ENHANCEMENT OPPORTUNITIES



Participation in industry conferences and forums



Professional body memberships and subscriptions



Office employee's rig visits



Seminars on topics like problem-solving, decision making, and leadership



Flexible work hours for educational pursuits and time off during examinations

# SOCIAL INVESTMENT

ARODrilling is aware that its operations do impact local communities; hence the commitment to sustainability by actively supporting the economic and social development in the areas of operation through volunteering and philanthropy.

The focus for 2023 donations has been to support local communities in food, housing, and health.

## Food



### Donated US\$20,000 to Saudi Food Bank Ita'am

Saudi Food Bank Ita'am provides food to those in need, reduces food waste, promotes food research, and contributes to food security.



## Housing



### Donated US\$20,000 to Tarmeem

Tarmeem is a charitable association of renovation specialized in restoring the homes of families most in need in the Kingdom.



## Health



### Donated US\$100,000 to Tarabot

Tarabot is a nonprofit organization that provides logistics services to patients in the form of patient transfer, patient housing, and medical devices.



## CORPORATE SPONSORSHIPS

### Industry Conferences and Exhibitions



#### IKTVA 2023 Forum and Exhibition

This forum serves to showcase advances to the IKTVA program that promotes quality jobs for Saudis, increased global competitiveness, and innovation and diversification.



#### International Association of Drilling Contractors (IADC) Middle East 2023 Exhibition

This conference's purpose is to create a platform for IADC to share best practices and solve industry challenges with peers.



## Educational and Training Initiatives



#### Saudi Petroleum Services Polytechnic

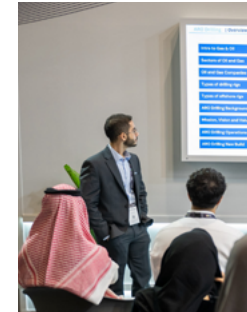
This training institution was created to meet the needs of the petroleum services industry by developing, preparing, and graduating a technical workforce to further advance the petroleum services industry.



In 2023, ARO has contributed close to

**US\$1 million**

towards key charities and corporate sponsorships



#### Society of Petroleum Engineers – Saudi Section

This international organization connects members so they can share knowledge, create communication pathways with others in their respective disciplines, and celebrate industry achievements.



#### Middle East Oil, Gas and Geosciences Show (MEOS GEO) Conference and Exhibition

This gathering hosts a wide variety of organizations and individuals to share ideas and solutions to industry challenges faced at different aspects of geosciences associated with the drilling industry.



#### Saudi Arabian Drilling Academy (SADA) Training Center

This organization develops technical and academic skills as a regional training hub for the drilling industry.



The organizations have been vetted and approved by management in accordance with our policies and procedures regarding charitable giving.



# HUMAN RIGHTS

We are committed to safeguarding our employees from any abusive or inhumane practices. We are opposed to all forms of slavery, exploitation, and child labor.

Our Code of Conduct (CoC) is presented to every employee as part of our comprehensive training program to ensure that they are familiar with the standards of behavior that we expect.

In conjunction with mandatory annual e-learning courses, we emphasize awareness through compulsory training sessions, including:

**ARO  
Workplace  
Harassment**

**ARO  
Code of  
Conduct**

**Disciplinary  
Procedure  
Awareness**



In 2023, a total of

**1,235 training hours**  
was spent on human rights topics by  
employees across the organization

# HEALTH, SAFETY AND SECURITY

At ARO Drilling, our foundation is rooted in prioritizing the health, safety, and security of our employees. Safety stands as the foremost core value, guiding every aspect of ARO Drilling operations and residing deeply within the ethos of our workforce. Risk assessments are conducted prior to engaging in any new tasks, ensuring that each employee returns home safely. The organization has a good safety performance thus far and remains steadfast in pursuing continuous improvement to ensure a zero-tolerance policy on the safety and well-being of employees.

## Material Topics



Workplace Health  
and Safety Protection



Process Safety



Crisis Risk  
Management

**0.22**

Lost Time  
Incident Rate  
(LTIR)

**ZERO**

security related  
incidents at our  
facilities

**46**

Process Safety Events,  
with majority classed as  
low/no risk  
(25% reduction from 2022)



# WORKFORCE HEALTH AND SAFETY PROTECTION

We strongly monitor HSE performance and practice proactive approaches by continuously analyzing safety statistics so that we can address potential hazards or correct negative trends before they grow into more significant problems. Experts from both our Operations and QHSE departments regularly review our HSE goals, reflecting our dedication to safety and keeping safety at the forefront of our operations.

Our HSE management approach is brought together in the Rig Management System, which forms the foundation of our safety measures. This system establishes a resilient risk control framework that aligns with global, local, and client standards.



## WORKFORCE PARTICIPATION IN SAFETY

We employ a structured approach that designates safety leaders and offshore installation managers (OIM) to oversee critical safety measures. In addition to that, all employees are empowered to stop work when exposed to any form of unsafe conditions.

### » Accessible Health and Safety Information

Each staff member has access to all our QHSE standards and safety communications, and we ensure that they are implemented effectively at each of our facilities.

### » Health Promotion Campaigns

ARO also promotes healthy lifestyles for our employees on top of workplace safety.

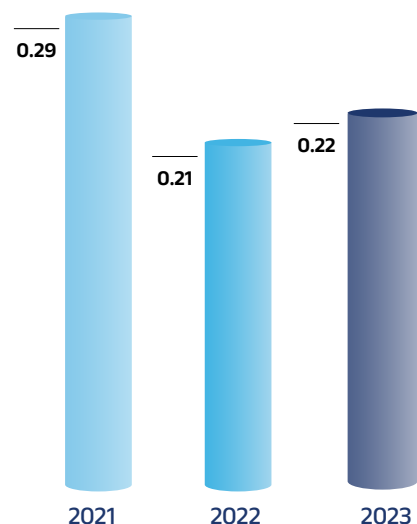
We also have an in-house Occupational Health Specialist that manages risks that our employees might experience ranging from considerations of air and food quality to risks associated with hazardous substances.

## HEALTH AND SAFETY TRAINING

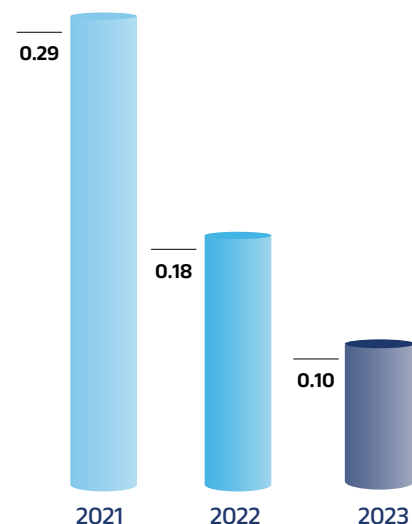
Our training sessions are led by subject matter experts with extensive industry experience, ensuring the delivery of high-quality instruction. Each session concludes with feedback sessions, where suggestions for improvement are carefully considered for future enhancements. ARO's commitment to investing in health and safety training remains unwavering, underscoring our dedication to operational excellence.

The increased awareness surrounding health and safety and our robust management systems have led to a reduction in incidents over the last two years. By prioritizing health and safety awareness, we remain committed to a zero-tolerance policy on safety.

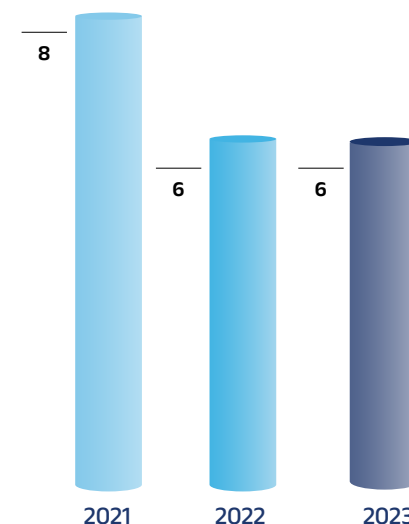
Total Recordable Incident Rate (TRIR)



High Potential Incident Rate (HPIR)








Total Recordable Incidents





# PROCESS SAFETY

To standardize safety procedures, ARO has a robust process safety system. At its core is the ARO definition of safety: the meticulous management of barriers to prevent catastrophic incidents, as guided by a Process Safety Event (PSE) Severity Matrix. We have implemented multiple tools and practices to continuously improve our process safety management such as:

-  **Regular Audits and Inspections**
-  **Hazard Hunt Workplace Inspections**
-  **Operation Safety Meetings**
-  **Safety Campaigns**
-  **SOAR Observational Cards**

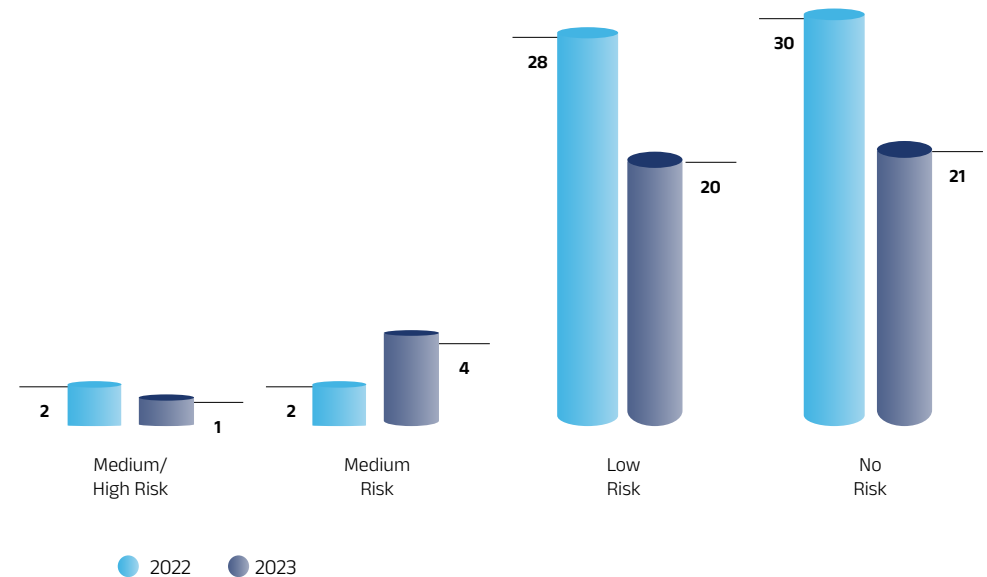
In 2023, we had 46 PSE events with

## 90%

of these events characterized as  
**low or no risk**



## PROCESS SAFETY EVENTS



## CRISIS RISK MANAGEMENT

At ARO Drilling, we know that risk management extends to both internal and external risks and we work diligently to protect our people, assets, and reputation from unknown risks. We are proud to announce that in 2023, we had zero security related incidents at our facilities.

Our crisis risk management strategy uses the Incident Command System (ICS) that allows us to adopt an integrated organizational structure in which we could respond to emergencies of varying degrees; it also affords us the flexibility to respond to these incidents as they occur.

We invest heavily in employees training in order to create the knowledge and skills needed to respond effectively to crisis. Drills and exercises are the best common practices to prepare employees and elevate their state of readiness to respond to a situation of crisis.

# GOVERNANCE AND TRANSPARENCY



# GOVERNANCE AND BUSINESS ETHICS

Maintaining a high standard of responsible business practices is critical for the continued success of our organization. These ethical and transparent business practices help us to drive sustainability, generate value for our stakeholders and enhance our brand and reputation.

## Material Topics



Corporate  
Governance



Ethics and  
Compliance



Cybersecurity



Sustainable  
Supply Chain  
and Local  
Content



Adherence and  
Compliance  
to Regulatory  
Requirements

## 100%

of our employees completed  
anti-corruption training

## ZERO

corruption, antitrust, monopoly,  
or anti-competitive behavior  
incidents

16 PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



17 PARTNERSHIPS  
FOR THE GOALS



# CORPORATE GOVERNANCE

ARO adheres to a robust governance framework ensuring accountability, transparency, and continuous improvement in sustainability practices.

## BOARD MEMBERS COMMITTEE

### MEMBERS ▾



**3** members



**3** members

### ROLES ▾

The Board Members Committee, with equal representation from Saudi Aramco and Valaris, oversees strategic development, business strategy, and corporate governance.

## EXECUTIVE MANAGEMENT TEAM

### MEMBERS ▾

**10** Executive Members

### ROLES ▾

ARO Drilling's Executive Management Team, consists of 13 members, including 10 executive and three non-executive members and is responsible for developing and implementing our sustainability strategies and programmes. Our Chief Executive Officer (CEO), who chairs our executive leadership team, ensures sustainability is at the forefront of our corporate strategy. The executive management team members are approved by the CEO and shared with the Board.

## SUSTAINABILITY COMMITTEE

### MEMBERS ▾

**6** Members

The Sustainability Committee, led by the CEO, identifies sustainability-related risks and opportunities, drives improvement projects, and educates employees.

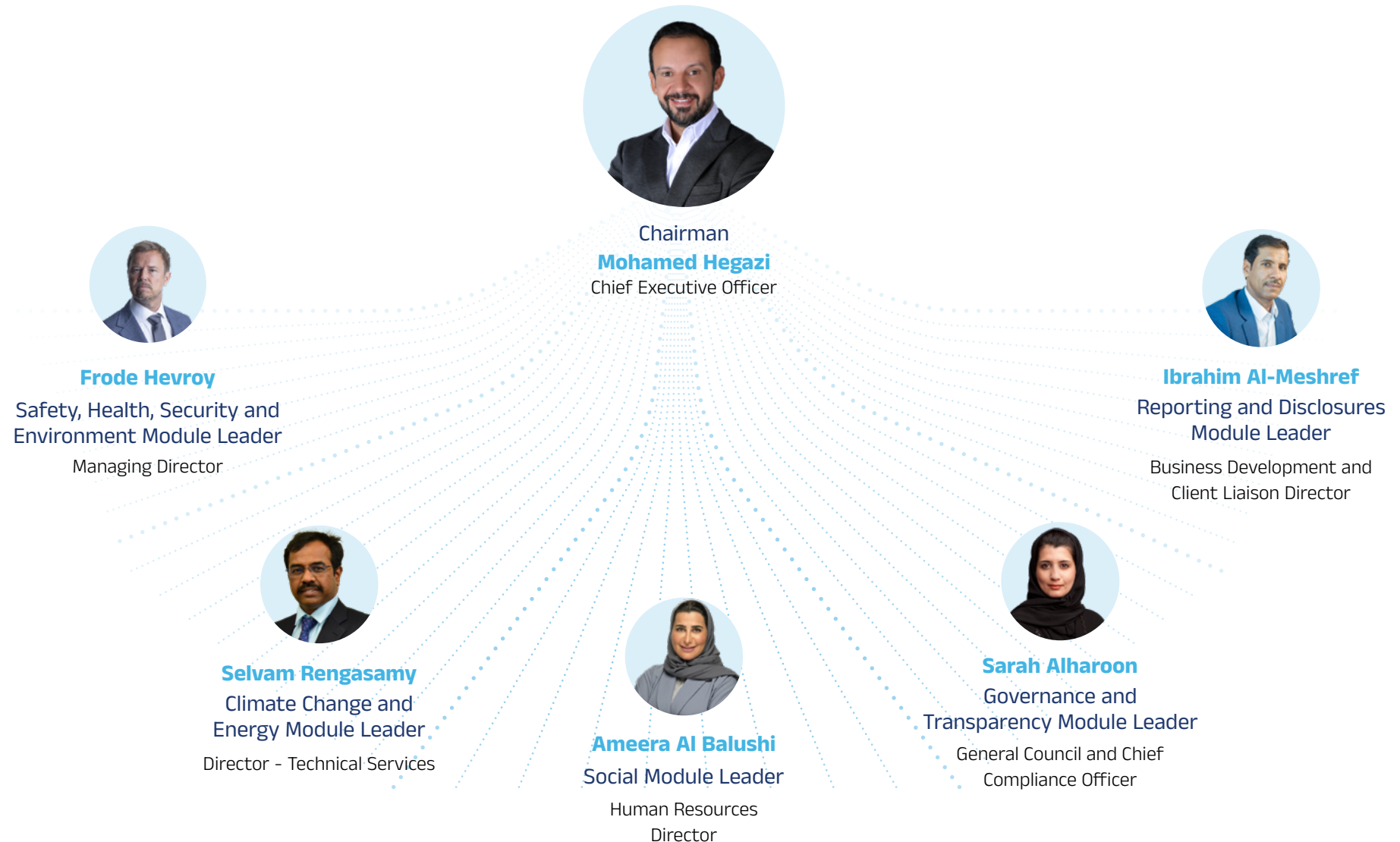
### ROLES ▾

The Sustainability Committee plays a crucial role in identifying sustainability-related risks and opportunities, driving improvement projects, and educating employees about sustainability initiatives within their modules.



# CORPORATE GOVERNANCE

## THE SUSTAINABILITY COMMITTEE



## ENTERPRISE RISK MANAGEMENT

ARO conducts annual risk assessments and develops mitigation plans using a Six-Step Risk Management Process aligned with ISO 31000:2018.



## CLIMATE RISK

ARO addresses physical and transition risks related to climate change, including acute and chronic risks, policy risks, legal and reputational risks, technology risks, and market risks.



### Physical Risk

#### TYPE OF RISK

##### Acute Risks

Acute risks, such as sudden extreme weather events like extreme precipitation/rainfalls and floods, can swiftly disrupt operations, infrastructure, and supply chains, necessitating immediate response and recovery efforts.

##### Chronic Risks

Chronic risks, like ongoing sea level rise due to climate change, pose a persistent threat, necessitating long-term adaptation strategies to mitigate potential damages and losses.



### Transition Risk

#### TYPE OF RISK

##### Policy Risk

Policy risk refers to the uncertainty and potential negative impact on businesses caused by changes in government policies or regulations.

##### Legal and Reputational Risks

Legal and reputational encompass potential liabilities and harm to public image due to non-compliance with climate regulations or perceived inaction on climate issues, impacting the organization's long-term viability and trust with stakeholders.

##### Technology Risks

Technology risks involve challenges from adopting new technologies to address climate issues.

##### Market Risk

Market risks cover uncertainties in financial markets due to climate-related changes. For instance, stricter emissions regulations may reduce demand for fossil fuels, affecting industry profitability.

#### ARO'S RESPONSE

We are proactively working to bolster the resilience of our assets and activities, implementing measures to adapt effectively to the physical risks stemming from climate change where required.

#### ARO'S RESPONSE

We maintain close monitoring of government policies and regulations affecting our industry.

We ensure that we disclose accurate data and information according to recognized international frameworks. We also work closely with all our stakeholders to gather feedback and ensure alignment on ESG matters.

We adopt a proactive approach by continually evaluating and integrating new technologies aimed at enhancing sustainability in our operations. Additionally, we invest in research and development to identify and implement innovative solutions that minimize environmental impact while maximizing operational efficiency.

We actively monitor climate-related developments and their potential impacts on market demand for fossil fuels. We also work towards enhancing our operational efficiency and reducing our environmental footprint, ensuring resilience in the face of changing market conditions.

# ETHICS AND COMPLIANCE

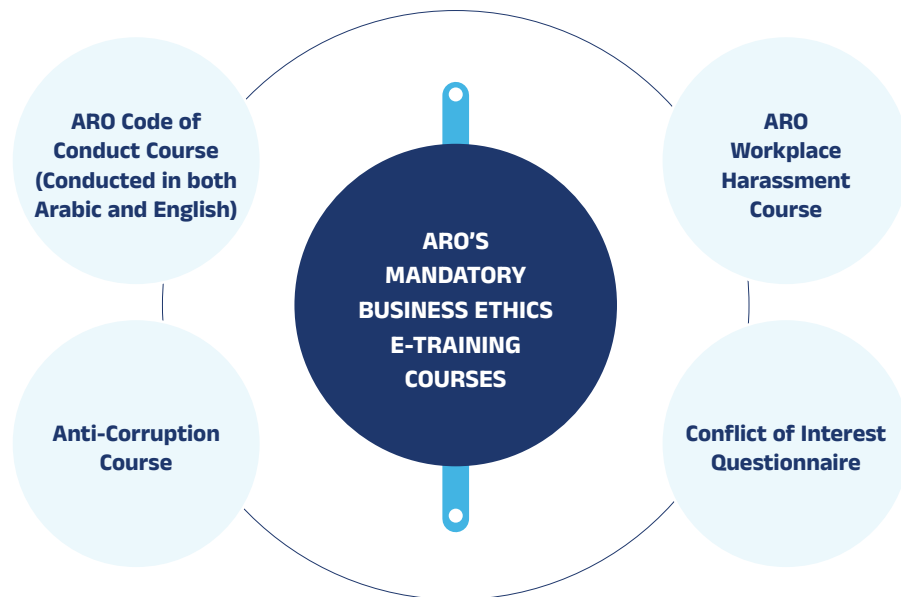
ARO prioritizes ethics, compliance, safety, security, and humanity in collaborations. All employees adhere to a comprehensive Code of Conduct covering legal compliance, conflict of interest, financial reporting, confidentiality, anti-discrimination, anti-corruption, safety, and health protocols.



Our Code of Conduct is available on [our website](#).

## Business Ethics Training

We train all our employees in critical business ethics subjects and have achieved a 100% completion rate in 2023.



## ARO's Gamified Approach

ARO has launched a gamified ethics workshop for essential onshore and warehouse staff. This interactive training uses games and role-plays to teach workplace ethics, boosting learning and practical application. This initiative aims to build a culture of integrity, accountability, and compliance, reducing risks and fostering a positive work environment.

## Anti-Corruption and Anti-Bribery

We have implemented a comprehensive system to prevent corruption and bribery, ensuring full adherence to all relevant laws and regulations. We expect all individuals representing us, including employees and contractors, to adhere to the framework. Regular communication and training activities keep employees informed about anti-corruption policies.

## Whistleblowing Policy

ARO's Whistleblowing Policy encourages reporting concerns and ensures non-retaliation, with reports handled by an impartial third party.

All concerns reported under this policy are treated with the utmost seriousness and managed with strict confidentiality. Employees can choose from various reporting methods to suit their comfort level while ensuring their anonymity.

To report an issue or seek advice on a matter, relevant parties can make a report via the following methods:

### Online Form:

[www.arodrillinghelpline.com](http://www.arodrillinghelpline.com)

### Toll Free Helpline:

800-850-0673

(Helpline available 24/7, managed by dedicated professionals)

# CYBERSECURITY

ARO prioritizes cybersecurity within its Enterprise Risk Management framework, implementing measures to safeguard information and data, resulting in zero major cybersecurity incidents in 2023.

## SUSTAINABLE SUPPLY CHAIN AND LOCAL CONTENT

ARO actively contributes to Saudi Arabia's sustainability goals through our procurement practices. In 2023, 65% of our procurement budget was allocated to local suppliers within the Kingdom, up from 53% in 2022. This is primarily through our involvement with Saudi Aramco's In-Kingdom Total Value Add (IKTVA) program, fostering domestic value creation and innovation.



## ADHERENCE AND COMPLIANCE TO REGULATORY REQUIREMENTS

ARO maintains a reputation for compliance with internal and external regulations, ensuring sustainability and responsible offshore drilling practices.





# APPENDIX

ESG Data Tables	45
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GRI Content Index	49
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SASB Content Index	52
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# ESG DATA TABLES

ARO's Social Data			
Category	Subgroup	2022	2023
<b>Total Employees</b>		1,944	2,174
<b>Offshore Employees</b>	Male*	1,671	1,876
	Total	1,671	1,876
<b>Onshore Employees</b>	Male	234	252
	Female	39	46
	Total	273	298
<b>Nationalities:</b>	30	30	36
<b>Region</b>	Employees from SA	71.5%	74.1%
<b>Gender*</b>	Male	97.99%	97.88%
	Female	2.01%	2.12%
<b>Age</b>	Governance bodies male	84.62%	85.71%
	Governance bodies female	15.38%	14.29%
	<30	26.67%	32.7%
	30-50	65.53%	60.63%
	50+	6.79%	6.67%
	Governance bodies <30	0%	0%
	Governance bodies 30-50	76.92%	78.57%
	Governance bodies 50+	23.08%	21.43%

\* It is essential to note that due to offshore work regulations, women cannot work offshore which directly affects our overall female personnel percentage.

New Hires			
Category	Subgroup	2022	2023
<b>Gender</b>	Males	226	490
	Females	5	13
<b>Region</b>	In Kingdom	100%	100%
<b>Age</b>	<30	122	327
	30-50	100	162
	50+	9	14
<b>Total</b>		231	503

Governance Body				
Category	Subgroup	Male	Female	Total
<b>By Region</b>	In Kingdom	11	2	13
	Out Kingdom	1	0	1
<b>By Age</b>	under 30 years old	0	0	0
	30-50 years old	9	2	11
	over 50 years old	3	0	3
<b>Total</b>		12	2	14

# ESG DATA TABLES

## Employee Turnover

Category	Subgroup	2022	2023
Gender	Males	275	264
	Females	5	6
Region	In Kingdom	280	269
Age	<30	115	116
	30-50	152	142
	50+	13	12
Total		280	270
Voluntary Turnover		8.72%	9.43%
Involuntary Turnover		6.83%	3.00%
Total Turnover Rate		15.55%	12.43%

## Training and Development

Category	Subgroup	2022	2023
Gender	Male (hours)	199,762	242,010
	Female (hours)	716	622
By Category	Senior Management / C-level (hours)	507	1,636
	Other Employees (hours)	199,961	240,996
Average Training Hours per Employee (hours/employee)		103	112
Total Training Hours Provided (hours)		200,468	242,632

## Parental Leave

Category	Male	Female	Total
Total number of employees that were entitled to parental leave	981	18	999
Total number of employees that took parental leave	115	2	117
Total number of employees that returned to work in the reporting period after parental leave ended	111	0	111
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	109	2	111
Return to work Rate (%)	96.50	100	94.90
Retention Rate (%)	94.80	100	94.90

# ESG DATA TABLES

## ARO Health and Safety Data

Category	2021	2022	2023
High Potential Incident Rate (HPIR)	0.29	0.18	0.10
Medium and High Potential Incident Rate (M+HPIR)	2.86	1.71	1.24
Total Incident Rate (TIR)	9.88	8.72	5.89
Total Hurt Incident Rate (THIR)	2.29	1.68	0.67
Total Recordable Incidents	8	6	6
Total Recordable Incident Rate (TRIR)	0.29	0.21	0.22
Total Man-hours Worked	5,589,317	5,598,317	6,310,774
Occupational Illness Rate (OIR)	0	0	0
Fatality Incidents	0	0	1
Fatality Rate	0	0	0.03
Lost-time Incidents (LTI)	2	3	0
Lost-time Incidents Rate (LTIR)	0.07	0.11	0
Motor Vehicle Incident Rate (MVIR)	-	0.89	0

## ARO Process Safety Events

Category	2021	2022	2023
High/High Risk	-	0	0
High Risk	-	0	0
Medium/High Risk	-	2	1
Medium Risk	-	2	4
Low Risk	-	28	20
No Risk	-	30	21
Total Events	-	62	46

## ARO Climate Change Data

Criteria	2021	2022	2023
<b>Direct GHG Emissions – Scope 1</b>			
Fuel (Diesel) <sup>1</sup>	53,264,578 L	55,043,820 L	56,910,211 L
	1,947,850 GJ	2,000,902 GJ	2,081,169 GJ
Scope 1 Emissions (tCO <sub>2</sub> e)	143,065	148,618	153,658
<b>Indirect GHG Emissions – Scope 2</b>			
Purchased Electricity Consumption <sup>2</sup>	1,152,342 kWh	1,153,032 kWh	1,294,941 kWh
	4148 GJ	4,151 GJ	4,662 GJ
Scope 2 Emissions <sup>3</sup> (tCO <sub>2</sub> e)	655	655	736
<b>Corporate Carbon Footprint</b>			
Total Energy Consumption	1,951,998 GJ	2,017,067 GJ	2,085,831 GJ
Total GHG Emissions (tCO <sub>2</sub> e)	143,720	149,273	154,393
Total GHG Emissions Intensity (tCO <sub>2</sub> e/Operation Day)	26.60	28.21	29.34

### Notes:

<sup>1</sup> Diesel consumed by main engines, emergency engines and auxiliary engines on ARO Rigs and diesel consumed during the flaring operations.

<sup>2</sup> Purchased electricity for ARO offices, warehouses, and training center.

<sup>3</sup> Scope 2 emissions calculated based on emission factors provided by Saudi Arabia Designated National Authority: Clean Development Mechanism.



# ESG DATA TABLES

ARO's Environmental Data		
Category	2022	2023
Water Usage		
Total Water Consumption	126,554 m³ 1,061,666 barrels	151,982 m³ 1,275,022 barrels
Total Freshwater Handled in Operations	87,262 m³ 732,062 barrels	143,015 m³ 1,199,796 barrels
Waste Generated		
Metal Scrap (MT)	391.25	332.85
Waste Material (MT)	113.9	240.75
Waste Oil (MT)	275.15	75.62
Others (desiccants, ODS) (MT)	2.96	4.56
Total (MT)	783.26	653.78

# GRI CONTENT INDEX

Disclosure Number	Disclosure	Location
GRI 2: General Disclosures 2021		
2-1	Organizational details	About Us
2-2	Entities included in the organization's sustainability reporting	
2-3	Reporting period, frequency and contact point	About the Report
2-4	Restatements of information	N/A
2-5	External assurance	About Us
2-6	Activities, value chain and other business relationships	
2-7	Employees	Workforce Diversity and Inclusion
2-8	Workers who are not employees	N/A
2-9	Governance structure and composition	Message from the CEO
2-10	Nomination and selection of the highest governance body	
2-11	Chair of the highest governance body	
2-12	Role of the highest governance body in overseeing the management of impacts	
2-13	Delegation of responsibility for managing impacts	
2-14	Role of the highest governance body in sustainability reporting	
2-17	Collective knowledge of the highest governance body	
2-22	Statement on sustainable development strategy	Strategy
2-24	Embedding policy commitments	
2-26	Mechanisms for seeking advice and raising concerns	Ethics and Compliance
2-27	Compliance with laws and regulations	
2-28	Membership associations	Sustainability Partnerships and Collaborations
2-29	Approach to stakeholder engagement	
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Materiality and Stakeholder Engagement
3-2	List of material topics	
3-3	Management of material topics	Disclosed within material topic sections

# GRI CONTENT INDEX

Disclosure Number	Disclosure	Location
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Sustainable Supply Chain and Local Content
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Climate Change and Energy
302-3	Energy intensity	
302-4	Reduction of energy consumption	
302-5	Reductions in energy requirements of products and services	
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Sustainable Water Stewardship
303-2	Management of water discharge-related impacts	
303-3	Water withdrawal	
303-4	Water discharge	
303-5	Water consumption	
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	GHG Emissions Management
305-2	Energy indirect (Scope 2) GHG emissions	
305-3	Other indirect (Scope 3) GHG emissions	
305-4	GHG emissions intensity	
305-5	Reduction of GHG emissions	Air Emissions Management
305-6	Emissions of ozone-depleting substances (ODS)	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Waste Management
306-2	Management of significant waste-related impacts	
306-3	Waste generated	

# GRI CONTENT INDEX

Disclosure Number	Disclosure	Location
<b>GRI 401: Employment 2016</b>		
401-1	New employee hires and employee turnover	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Workforce Management
401-3	Parental leave	
403-1	Occupational health and safety management system	
403-2	Hazard identification, risk assessment, and incident investigation	
403-3	Occupational health services	
403-4	Worker participation, consultation, and communication on occupational health and safety	
403-5	Worker training on occupational health and safety	Occupational Health and Safety
403-6	Promotion of worker health	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
403-8	Workers covered by an occupational health and safety management system	
403-9	Work-related injuries	
403-10	Work-related ill health	
404-1	Average hours of training per year per employee	
404-2	Programs for upgrading employee skills and transition assistance programs	Workforce Diversity and Inclusion
404-3	Percentage of employees receiving regular performance and career development reviews	
405-1	Diversity of governance bodies and employee	
413-1	Operations with local community engagement, impact assessments, and development programs	Local Communities
413-2	Operations with significant actual and potential negative impacts on local communities	



# SASB CONTENT INDEX

SASB Topic	SASB Accounting Metric	Unit	Section
<b>SASB</b>			
<b>Sustainability Disclosure Topics &amp; Accounting Metrics</b>			
<b>EM-SV-110a.1</b>	Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment	Gigajoules (GJ), Percentage (%)	Climate Change and Energy
<b>EM-SV-110a.2</b>	Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts	Discussion and Analysis	
<b>EM-SV-110a.3</b>	Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions	Percentage (%)	N/A
<b>EM-SV-140a.1</b>	(1) Total volume of fresh water handled in operations, (2) percentage recycled	Thousand cubic meters (m3) and Percentage (%)	Water Consumption
<b>EM-SV-140a.2</b>	Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities, and impacts	Discussion and Analysis	
<b>EM-SV-160a.1</b>	Average disturbed acreage per (1) oil and (2) gas well site	Acres (ac)	N/A
<b>EM-SV-160a.2</b>	Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities	Discussion and Analysis	All operations are conducted offshore on sites that undergo environmental impact assessments as per local regulations.
<b>EM-SV-320a.1</b>	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), (4) total vehicle incident rate (TVIR), and (5) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	Rate	Health and Safety
<b>EM-SV-320a.2</b>	Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	Discussion and Analysis	
<b>EM-SV-510a.1</b>	Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Reporting Currency	ARO Drilling does not operate in any country that is in amongst have 20 lowest rankings in Transparency International's Corruption Perception Index
<b>EM-SV-510a.2</b>	Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion and Analysis	Ethics and Compliance
<b>EM-SV-540a.1</b>	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Discussion and Analysis	Health and Safety

# GRI CONTENT INDEX

SASB Topic	SASB Accounting Metric		Unit	Number
SASB				
Activity Metrics				
EM-SV-000.A	Number of active rig sites	Number	16	
EM-SV-000.B	Number of active well sites	Number	16	
EM-SV-000.C	Total amount of drilling performed	Meters (m)	N/A	
EM-SV-000.D	Total number of hours worked by all employees	Hours	6,310,774 (Manhours worked)	

