

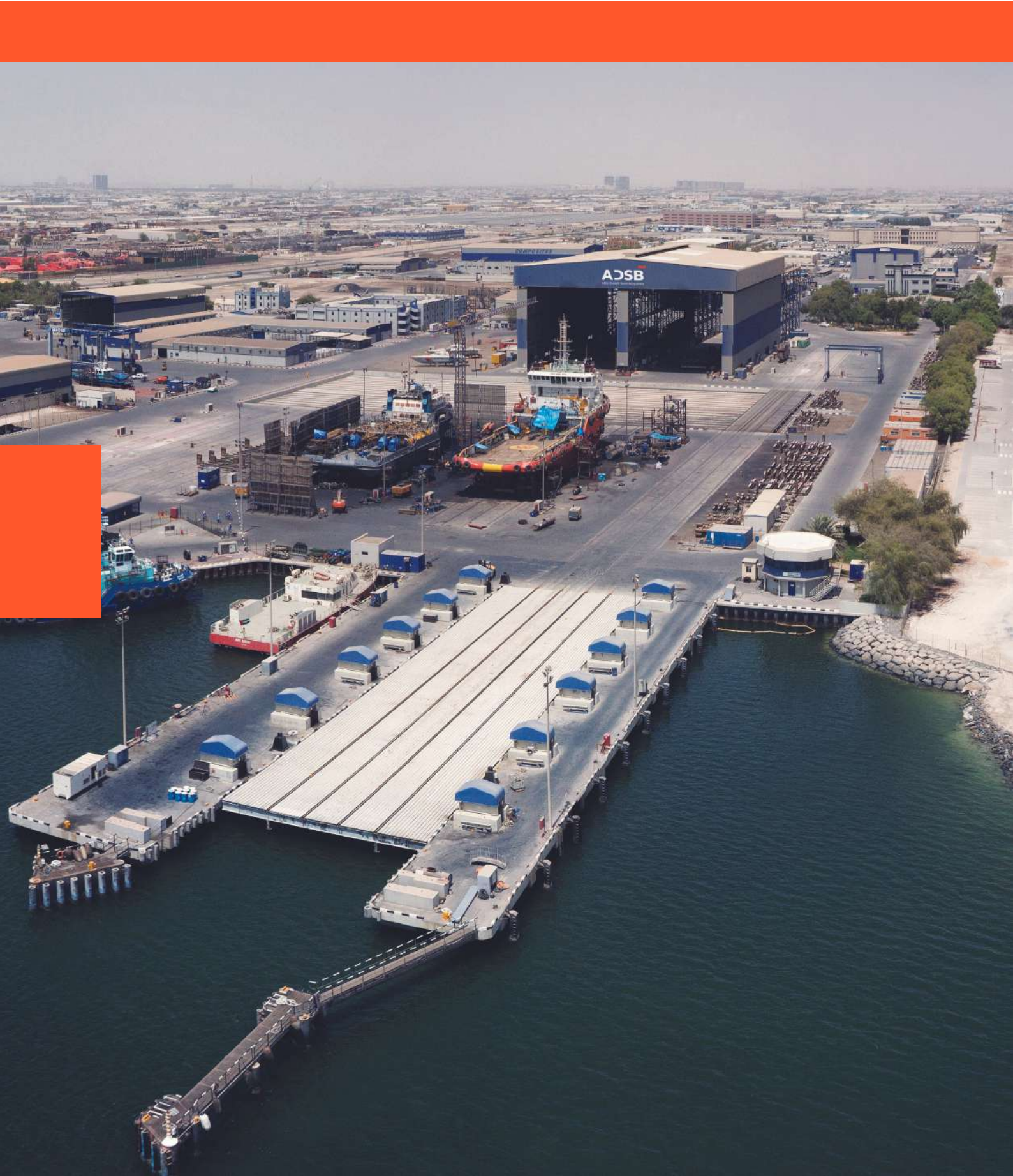
2021

SUSTAINABILITY

REPORT



BEYOND SHIPBUILDING



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ADSB
ABU DHABI SHIP BUILDING

Assembly Hall B
Bldg B039

ABOUT THIS REPORT

ABOUT THIS REPORT

Welcome to Abu Dhabi Ship Building's inaugural year of sustainability Reporting 2021.

We are proud to present to you the first Environmental, Social and Governance (ESG) report of Abu Dhabi Ship Building. In this report, we showcase the key achievements, financial performance, governance, environmental and sustainability initiatives and goals. Despite the onset of the covid-19 crisis, ADSB as a company, has adopted the appropriate measures and has succeeded in providing continued quality service to its customers. This report is compiled for the stakeholders and readers for a better understanding of the Company's sustainable development concept, management approaches, measures and related performance.



KEY ACHIEVEMENTS

Sailing strong through a quarter century in ADSB's business operations

Awarded the largest ever order - Award of the prestigious Falaj3 contract for 4 Offshore Patrol Vessels, promising a sustainable and profitable future

Quality Management Systems ISO 9001:2015 certified by Bureau Veritas

Our agent network spanning across 21 countries

Environment ISO 14001:2015 certified by Bureau Veritas

Handling projects of all sizes and types for military and commercial customers at our Class LR- and Class BV-certified facilities and state-of-the-art drydock

ISO 45001:2018 - Health and Safety Management certified by Bureau Veritas

Local sourcing, uplifting suppliers and contributing to the UAE's economic welfare

Occupational Safety and Health Management System: 2017 Industrial Development Bureau-DED

Emiratization program: Employment of talented youth and graduates constituting into more than 10% of our employees



MESSAGE FROM THE CHAIRMAN



In line with the UAE's vision, we are pleased to establish a clear strategy that improves the sustainability performance of our business, generating significant value for the benefit of our stakeholders with wider-ranging benefits for our land, people and ecosystems.



I begin with a quote from our country's founding father, the late Sheikh Zayed Bin Sultan Al Nahyan: "On land and in the sea, our forefathers lived and survived in this environment. They were able to do so because they recognised the need to conserve it, to take from it only what they needed to live, and to preserve it for succeeding generations."

I would like to express sincere gratitude to our ancestors and country's leadership for instilling strong and forward-thinking traditions, such as resource preservation, respect for all forms of life, and efficient trade governance – all of which align with the key pillars of sustainability. Reflecting on the voyage that Abu Dhabi Ship Building has made since its inception in 1995, I am truly honoured to chair this resilient enterprise.

"The Navy as an Instrument of Peace", aptly stated by Calvin Coolidge in the 19th century. Our shipbuilding business is a critical enabler of both effective trade and national security. The current global turmoil due to the ongoing pandemic as well as emergent international conflicts, reaffirms our commitment to ensuring national strength and long-term sustainability, be it for commodities trade with shipping vessels or peacekeeping with naval ships.

In line with the UAE's vision, we are pleased to establish a clear strategy that improves the sustainability performance of our business, generating significant value for the benefit of our stakeholders with wider-ranging benefits for our land, people and ecosystems.

Despite the global challenges and immediate crises we face as individuals and as a company, the human capacity for resilience has been astounding. As climate change continues to advance and our resilience is put to the test, it is clear we will only come through this by working together with all stakeholders. We have no doubt that our greatest strength comes from our strong workforce, partners, clients, vendors, and above all, our country's robust government and wise leadership.

Through 25 years of hard work and excellence, we have learned that our business is formed and sustained by staying true to our purpose, values and ambitions that keep us on the right path and enable us to continue the company's evolution in the years ahead. With this, I would like to usher you through our inaugural Sustainability Report 2021.

KHALID OMAR AHMED NAJEEB ALBREIKI
Chairman - Abu Dhabi Ship Building

MESSAGE FROM THE CEO



During this challenging period, Abu Dhabi Ship Building's key priority has been to maintain good relations with our members, clients, business partners and employees.



It is with immense pride that we have survived the tough phase of the pandemic and successfully present the Environmental, Sustainability and Governance report. Beginning this year, we will publish this report on an annual basis, track our performance and keep our stakeholders updated on the company's goals and progress on ESG fronts.

A quarter-century has been an eventful journey for Abu Dhabi Ship Building. The fact that we have sustained through these decades and have progressed along with the demands and changing times of the industry and economy, is a testimony to our rich experience and support from our stakeholders including our esteemed clients and partners. We realize that not only offering efficient products and services that meet our clients' needs, but also responding effectively to commercial, regulatory and environmental issues determines the future scenarios in which we will be operating. We are conscious of the fact that the reputation of a company is now measured by its ability to integrate professionalism and quality with uncompromising respect for the law and expectations regarding the protection of local communities.

Our vision to integrate operational excellence with our objectives, while ensuring employee wellness and growth, is a key to our success. We had the privilege of signing the prestigious Falaj3 contract for 4 Offshore Patrol Vessels in April 2021 which was a pathbreaker and accentuated our expansion plans.

We have launched various initiatives, inked mutually rewarding deals and have consistently introduced and employed state-of-the-art technology and ethics in our business. This has led to more business opportunities and while we take honor in it, we also realize our duty to give back to our environment and society. The pandemic has changed the way the world operates, but it has also opened up new opportunities along with some challenges, which were competently handled by ADSB team.

Looking forward, I believe that it is going to be a great year earmarked with achievements and accomplished goals. For this, we appreciate and seek your continued support and encouragement. Our journey ahead will be one of higher growth, responsible commerce, and fulfilling the purpose of doing our part to preserve the planet. I hope to bring forth many success stories of enduring impacts in the forthcoming reports as well.

DAVID MASSEY

CEO - Abu Dhabi Ship Building

A full-page background image showing a worker in a blue jumpsuit and gloves inspecting a large, polished metal propeller in a shipyard. The propeller is in the foreground, and the worker is standing next to it. The background shows the interior of a large shipyard with high ceilings and industrial equipment.

ABOUT ABU DHABI SHIP BUILDING

ADSB

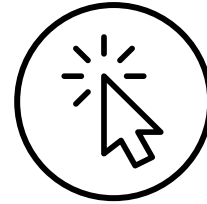
AT A GLANCE



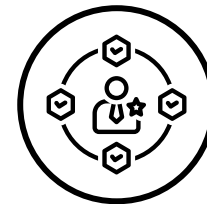
ADSB specialises in the build, repair, maintenance, refit, and conversion of naval and commercial vessels. With 25 years of service to the UAE and beyond, we are one of the most experienced shipyards in the region. We deploy the latest technologies, including robotics, to maximise fleet readiness, extend ship lifetimes, and lower overall lifecycle costs.



EDGE/ Abu Dhabi
Government
49.96%



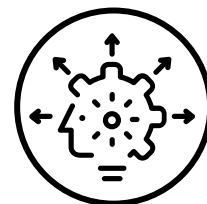
SUPERIOR DESIGN
SELECTION



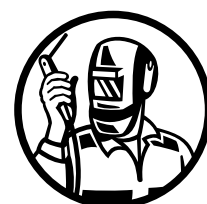
SKILLED WORKFORCE WITH
EXTENSIVE TECHNICAL EXPERIENCE



WORLD-CLASS
SHIPYARD FACILITIES



EXCEPTIONAL
INTEGRATION CAPABILITIES



PRECISION STEEL
FABRICATION



OUR PURPOSE

TO BE THE REGION'S LEADING NAVAL & COMMERCIAL SHIPYARD, OFFERING UNMATCHED SERVICE, INNOVATION AND SKILL.

OUR CORE VALUES



EXCELLENCE

We strive to improve customer relationships, designs, productivity, safety and quality.



CLIENT FOCUS

Client experience and satisfaction is a prime focus of our business operations.



INTEGRITY

We prioritize interaction with our customers, our people, our suppliers and all our stakeholders with respect, honesty and transparency.



TEAMWORK

We believe that we achieve more as a team than as individuals, valuing each other's contribution.



PRODUCTS & SERVICES

NAVAL PRODUCTS



CORVETTES



OFFSHORE PATROL VESSELS



MULTI-ROLE COMBATANTS



SPECIAL MISSION VESSELS



LANDING CRAFTS



NAVAL SERVICES



MAINTENANCE AND REPAIRS



SUSTAINMENT







WAREHOUSING FACILITIES



COMBAT SYSTEMS INTEGRATION (CSI)






COMMERCIAL SHIPBUILDING CAPABILITIES -

-  FABRICATION FACILITIES
-  SMALL BOAT CONSTRUCTION (SBC)
-  MECHANICAL SERVICES
-  PIPING WORKSHOP
-  ELECTRICAL SERVICES
-  OUTFITTING
-  BLASTING, PAINTING AND HULL TREATMENT



COMMERCIAL SERVICES





-  MAINTENANCE AND REPAIRS
-  YARD SERVICES
-  OFFSHORE RIG FABRICATION




SHIP CONVERSIONS



VALUE CREATED

-  HIGH-PERFORMANCE VESSELS AND DEFENSE SYSTEMS
-  FLEET AVAILABILITY FOR OUR NAVAL CLIENTS
-  700+ JOBS CREATION IN THE INDUSTRY
-  MAINTAINING THE DETERRENT CAPABILITIES OF OUR CLIENTS IN THE GCC REGION



OPERATIONAL GEOGRAPHY

 UNITED ARAB EMIRATES

HISTORY

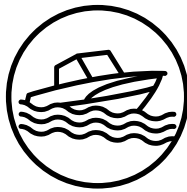
Abu Dhabi Ship Building was established by Emiri Decree No. 5 of 1995 on 12 July 1995. We are a public joint-stock company listed on the Abu Dhabi Securities Exchange and has earned its reputation as a **world-class shipbuilder**.

With this, it is one of the most experienced shipbuilders and shipyards in the U.A.E. and the maritime industry is closely linked and it is highly significant that our shipbuilding and services industry serves as the backbone of commerce and protection of our economy.

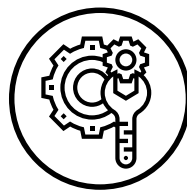
ADSB IS AN INTERNATIONALLY RECOGNIZED ENTERPRISE FOCUSING IN 4 SEGMENTS -



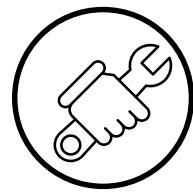
Naval Ship
Building &
Engineering



Small Boat &
Luxury Yachts
Construction



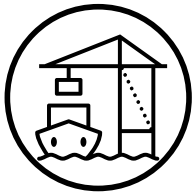
Military Repairs and
Maintenance & Combat
System Integration



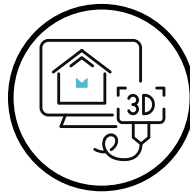
Commercial
Repairs and
Maintenance



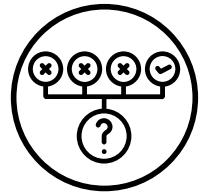
OUR ADVANCED TECHNOLOGICAL IMPLEMENTATIONS -



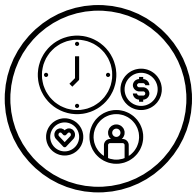
Flexibility and advanced versatility for dry docking vessels



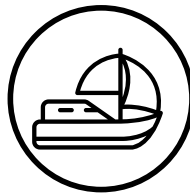
The steel & aluminium fabrication for modular units are done using the latest and bespoke 3D modelling techniques



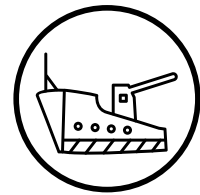
Naval ship building focuses on program management, procurement, weapons installation & integration, test & trials.



Services sector focuses on naval repairs, refits & upgrades, commercial ships repairs, through life capability management.



Small boat construction using steel, marine grade aluminium and composites, and combat management systems integration.



Baynunah-class corvettes and Aialah offshore patrol vessels have been our milestone projects.

We are part of the Platforms & Systems cluster of EDGE which is an advanced technology group that ranks in the **top 25 of the World**. In our capacity as a regional high-tech company, we address the needs of our clients through its exceptional know-how and unique industrial resources.

FINANCIAL PERFORMANCE

**254,334,000
AED**

Revenue Earned in
2021

**243,302,000
AED**

Costs Incurred in
2021

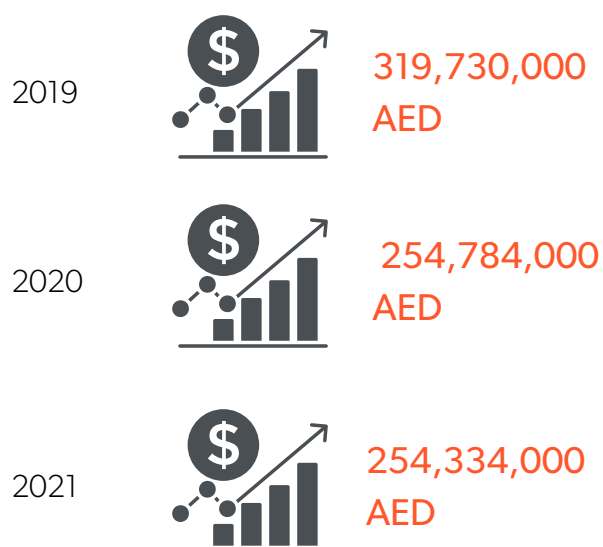
**11,032,000
AED**

Net Profit in
2021

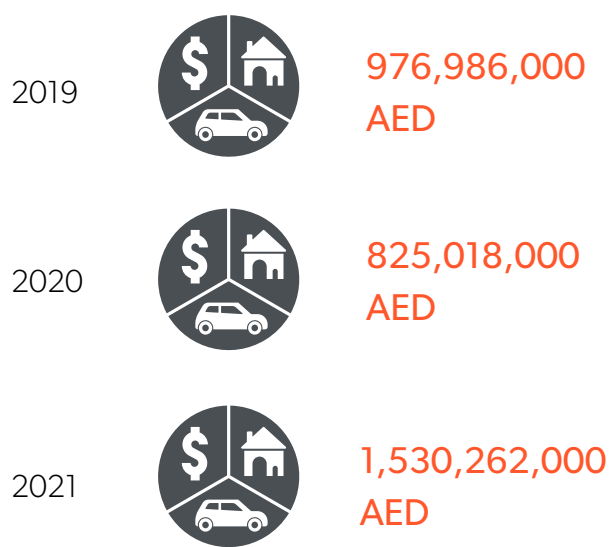
2020 was the first full year in which ADSB operated as a part of the EDGE Group, and as a publicly listed Company with half of its shares traded on the Abu Dhabi Stock Exchange.



Total Revenue Earned-



Total Assets -



Market Capitalization -



Total Costs Incurred -



Net Profit -



(3,793,000) AED

2019



(21,692,000) AED

2020



11,032,000 AED

2021

OUR RESPONSE TO COVID-19

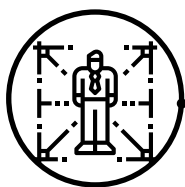
The health and safety of our personnel have been the top priority in our COVID-19 response. We have responded to the situation with communication, site-risk assessment, business continuity planning (BCP) and situation reporting in place for our business units and local emergency response teams. Social distancing, free Covid-19 tests, disinfection measures were taken to safeguard and protect the physical and mental health of employees. We strictly check the negative PCR test results at the security gate and installed sanitizing machines at the entrances to ensure the safety of our employees inside ADSB premises.



99.16%

of our employees are vaccinated with up to 2 doses of Covid-19 vaccines.

PROTOCOLS



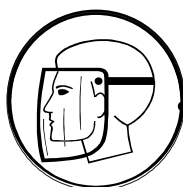
Quarantine Area created for Covid-19 patients, Organized Covid-19 vaccination campaigns



Healthcare team appointed for checkups and temperature measurement



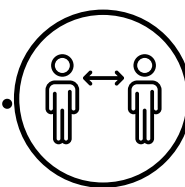
Healthy food, fruits and medicines arranged for Covid-19 patients, food parcels for workers



Mandatory masks & gloves to all employees, Specialized Protective equipment to close contact personnel



Frequent Sanitizing of offices and premises, sanitizer available at all times for employees



Social Distancing, restricted occupancy of office and premises, work from home policy

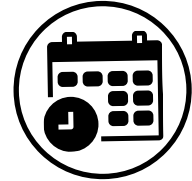
2022 PLANS



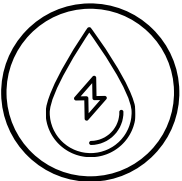
Rise up to the emerging boom
in tourism demands for
increased fleet of commercial
vessels



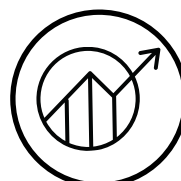
To introduce eco-
efficient vessels



To measure and deliver
on S & G initiatives



To implement energy and
water consumption monitoring
tools



Deliver world-class services



Enhance employment safety
and awareness activity plan to
reduce maritime accidents



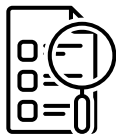
Continue to Employ skilled, local
workforce and thereby generate
better employment opportunities
and career development for UAE
and other Nationals

ENVIRONMENTAL STEWARDSHIP



OUR COMMITMENT TO ENVIRONMENT

We at ADSB profess long-term value for our stakeholders and thus we observe responsible business. We are committed to managing the environmental impact of our operations and products, to contribute to the global transition to a low-carbon economy. We employ technology and green innovation in our modeling processes.



OPERATIONAL OVERSIGHT

We are looking to find efficiencies within our operations and manage risks associated with energy use, waste, pollution and water management.



PRODUCT ENHANCEMENT

We are committed to improving the sustainability of our products, from the assessment of materials we use for production, to fuel efficiency and reduction in greenhouse gas emissions.



ENVIRONMENTAL IMPACT

We are looking at reviewing environmental impact of our products throughout their lifecycle to assess footprints and find efficiencies.

ENVIRONMENTAL INITIATIVES

1

We adopt sustainable practices and processes during the life-cycle stages of every project to optimize the use of resources.

2

EDGE Group entity, JAHEZIYA, a single-stop service provider for defence solutions and emergency response services, and Serco, a leading international provider of public services, signed a Memorandum of Understanding (MoU) to further discussions regarding potential collaborative opportunities in the fire and emergency response services sector.

3

We frequently run checks, including that of quality, for the materials used and sourced, in order to reduce impact on the environment.

4

In addition, with regard to the management of chemical products, we run several checks to understand the details with our suppliers in order to avoid any prohibited materials by applicable laws and regulations.



5

MARPOL - the International Convention for the Prevention of Pollution from Ships (MARPOL) aims to prevent and minimize pollution from ships, whether accidental pollution or pollution resulting from routine operations. In our construction and repair projects, we seek to contain environmental impact throughout the ship's life cycle.

6

Installation of low-flow & water-efficient faucets in the toilets reducing our water consumption

7

Installation of PVC curtain for controlled workshop
Replacement of window ACs with split ACs to reduce energy consumption

8

Set points for HVAC to reduce energy consumption

9

Installed motion sensors, automating lights shut off, when not necessary. Installed external light timer to automatically turn on and turn off the lights.

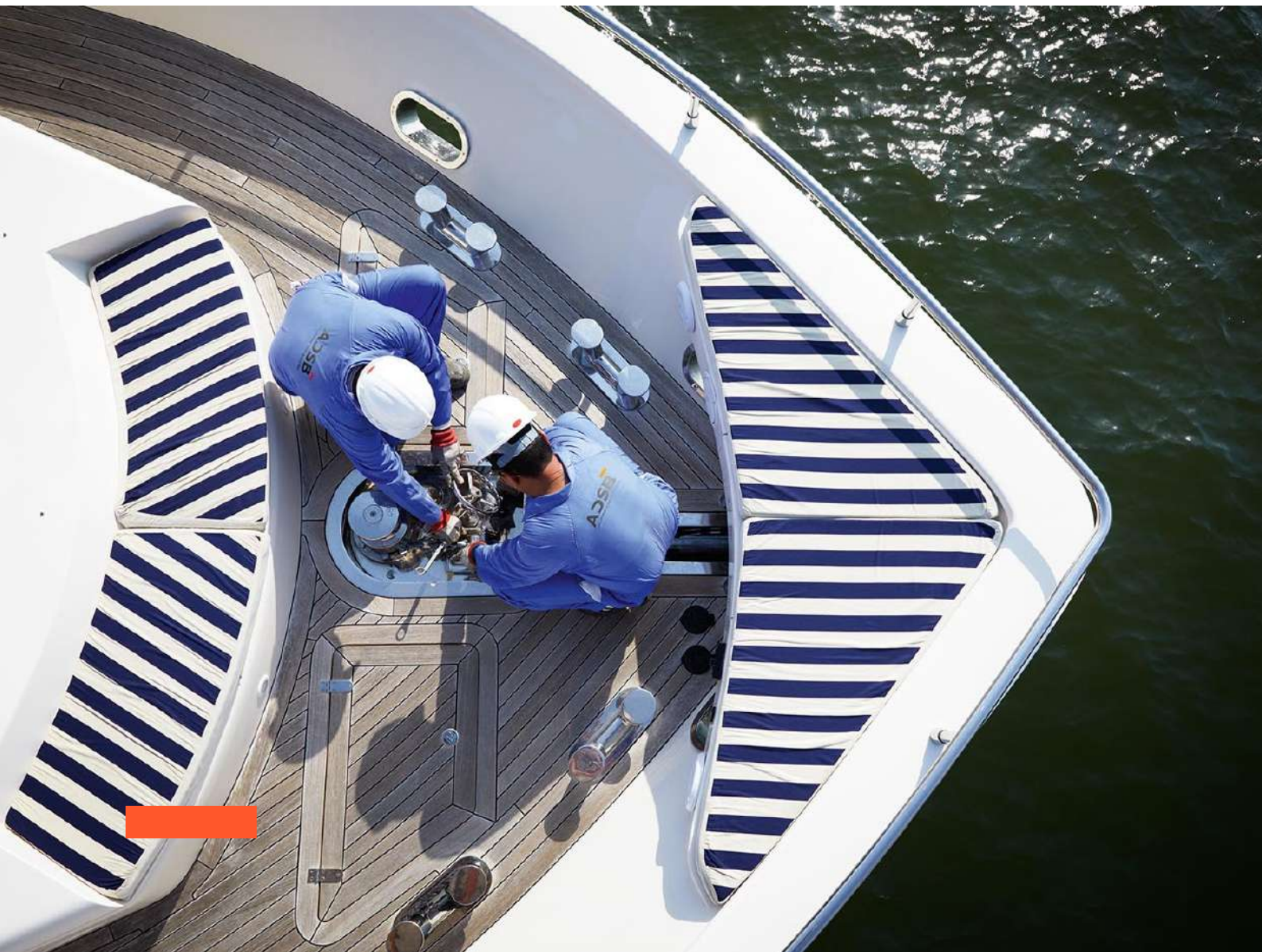
10

Use of energy efficient light bulbs

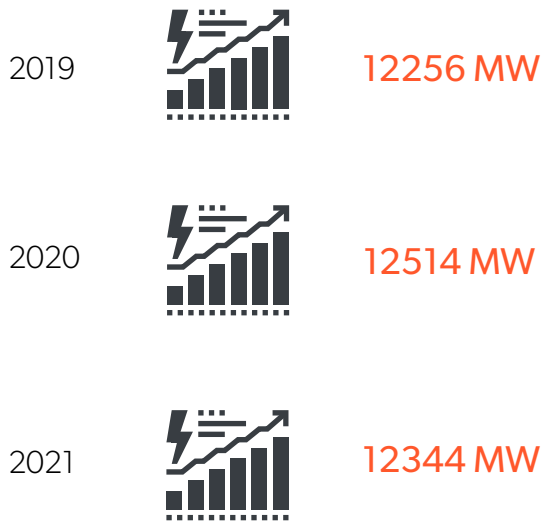
ENERGY & WATER CONSUMPTION

Energy and water are intricately connected. All sources of energy (including electricity) require water in their production processes: the extraction of raw materials, cooling in thermal processes, in cleaning processes and so on.

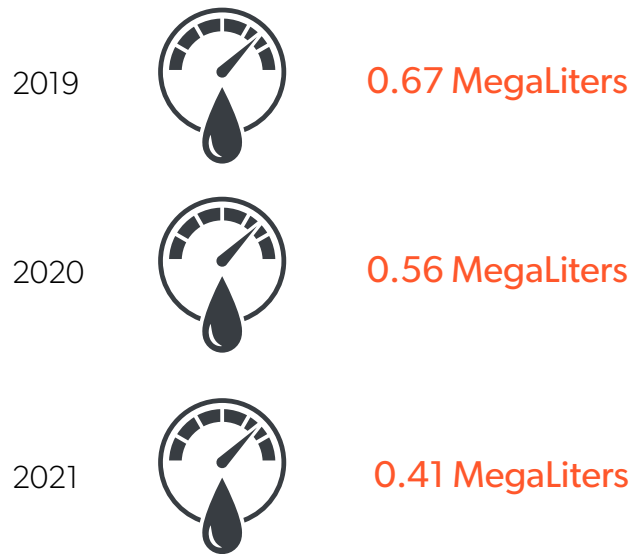
Use of energy efficiency operational indicator (EEOI) as a monitoring tool helps us in checking energy efficiency. The source of our energy consumption is grid electricity consumed in our premises.



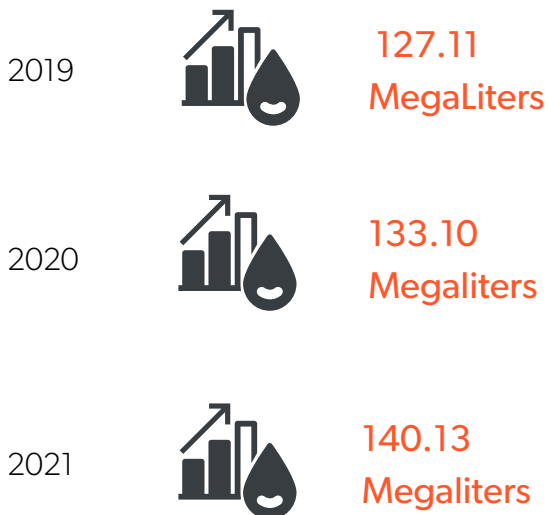
Electricity Consumption -



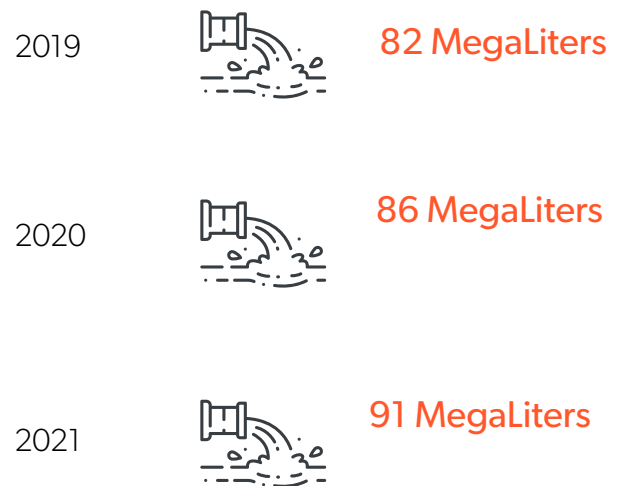
Fuel Consumption -



Water Consumption -



Waste Water Generated -



Total electricity consumption stands at



48.53 MW/Million AED

of revenue earned

Total fuel consumption stands at



1.61 Kiloliters/Million AED

of revenue earned

Total water consumption stands at



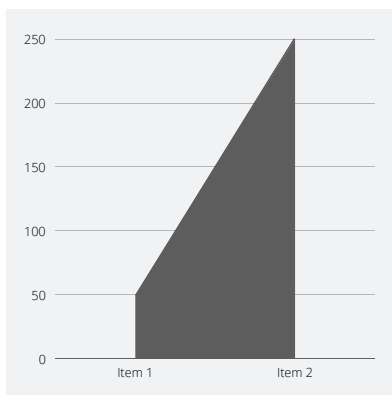
0.55 Megaliters/Million AED

of revenue earned



GHG EMISSIONS

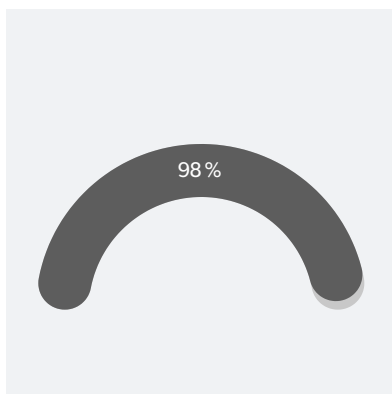
Reduction of GHG emissions in shipping is a challenge but it is an achievable feat.



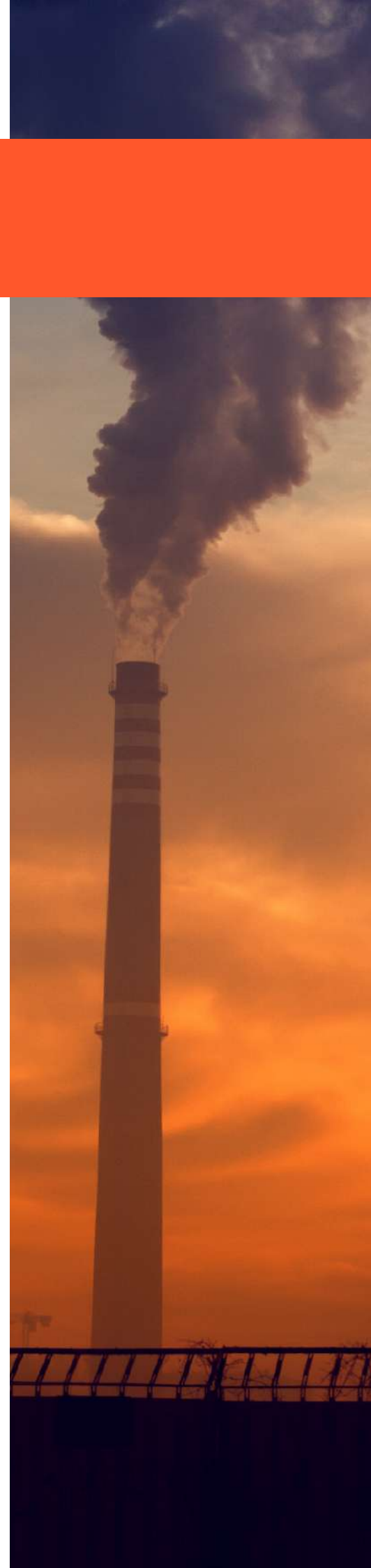
The International Maritime organization (IMO) projects that emissions will grow between **50% and 250%** if vessels continue to burn fossil fuels.



Ship building & services industry would produce **17%** of global carbon dioxide emissions in 2050.




It is noted that operation is very important for the machinery subsystem (combustion of fuels in the main and auxiliary engines of the ship) and produces over **98 %** of the total GHG emissions.






Direct GHG Emissions (Scope 1) -

2019		1,197 tCO ₂ e
2020		986 tCO ₂ e
2021		775 tCO ₂ e

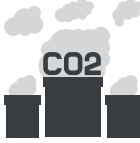
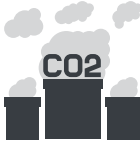
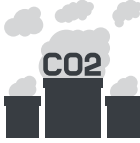
Indirect GHG Emissions (Scope 2) -

2019		9,408 tCO ₂ e
2020		9,559 tCO ₂ e
2021		9,317 tCO ₂ e

GHG Emissions Intensity (Scope 1) -

2019		3.74 tCO ₂ e/Million AED
2020		3.86 tCO ₂ e/Million AED
2021		3.04 tCO ₂ e/Million AED

GHG Emissions Intensity (Scope 2) -

2019		29.42 tCO ₂ e/Million AED
2020		37.51 tCO ₂ e/Million AED
2021		36.63 tCO ₂ e/Million AED



2022 PLANS



Use of clean energy solutions to be introduced into our core production processes



To use agile methodologies wherever applicable to add efficiency to add value to supply chain methodologies



Become part of memberships in UAE that promotes and builds sustainable and renewable technologies



Change to diverse range of zero carbon energy sources, using resources to promote zero emission shipping and avoiding negative biodiversity impacts



Launch sustainability campaigns that would increase employee and stakeholder awareness in green technology and its significance to the ecosystem



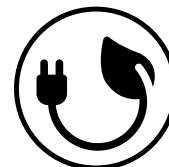
Create working groups that audit the efficacy of the products and processes used in shipyard and to set a fair minimum percentage of carbon emission reduction



With Covid 19 expected to come to a closure towards the end of 2022 or early 2023 we foresee a boost in maritime tourism business and therefore it is essential that our goals are aligned for a sustainable future.



Setting up of Ship energy efficiency management plan (SEEMP) to counter the need for improving energy efficiency in consumption and core processes.



In line with the world's need to address climate change crisis, ADSB focus on reducing our carbon footprint.



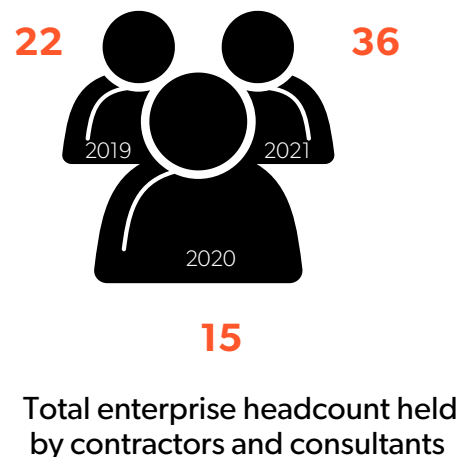
To transform commitments into actions to make a decarbonized world for a safer life ahead.



SOCIAL STEWARDSHIP



HUMAN ASSETS



ADSB is committed to caring for its employees, as well as respecting the communities in which it operates. Our human assets constitute the foundation for a safe operation of the production facilities. We believe that our success directly depends on them. We work hard to motivate our employees, improve their abilities, and give equitable chances for advancement, while they repay us with their loyalty and trust. We appreciate each employee and strive to create an atmosphere that is compassionate, inclusive, inspiring and rewarding for everyone.



We know that the right team means everything to our success. That's why we work hard to make sure we're surrounded by talented colleagues and teams. We have no bureaucracies or legacy structures, just great people working together to achieve clear missions and goals.



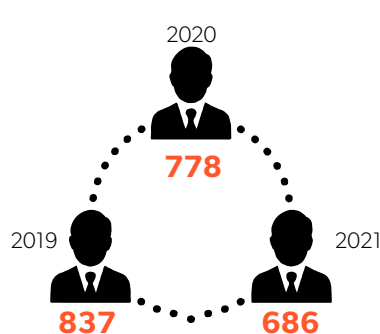
EQUAL OPPORTUNITY & DIVERSITY

We believe that developing a diverse workforce is critical to helping us build the organizational capability and maintaining high performance levels.

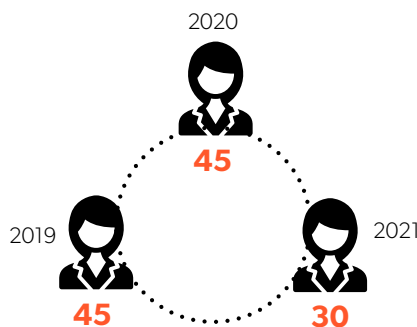
We value the diverse skills, experiences, and perspectives everyone brings to the workplace. Respect and equal opportunity are a shared responsibility of every employee at our workplace. We strive to maintain an inclusive and safe work environment that takes action to prevent discrimination, harassment and corruption.



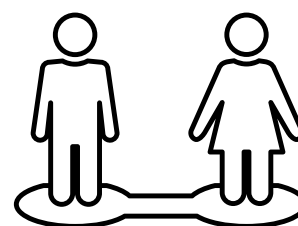
Global Workforce consisting of **25+** Nationalities



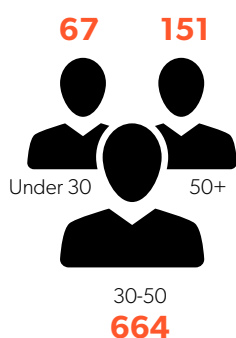
Number of male employees



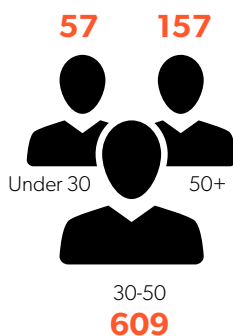
Number of female employees



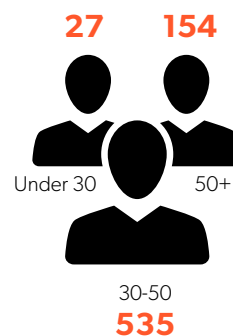
Ratio of Male to female compensation ratio - 1:3



Total Employees by age group (2019)



Total Employees by age group (2020)



Total Employees by age group (2021)

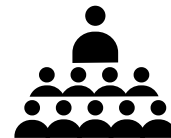
TRAINING AND DEVELOPMENT

Fostering talent in a competitive environment creates future leaders. We invest in the development of our employees. We are proud to offer various training programs that support on-the-job learning, from onboarding and refresher training on the safe operation of machinery and tools, to specialized programs such as pipefitting and blueprint reading, in addition to basic software trainings.

We prioritize fostering new talent through our training and development programs to prepare young professionals for a career in the Ship Building Industry.

On-the-job trainings

We provide on-the-job trainings, conduct periodic performance reviews and invest in skill development of our employees.



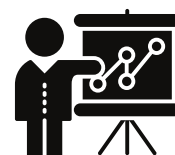
Our employees have received

1,792 hours

of theoretical and practical training related to Occupational Healthy & Safety in the last three years.



The training program offers an exciting career path for Emirati youth within the industry that is contributing to the wider economic development of **Abu Dhabi.**



HEALTH, SAFETY & EMPLOYEE WELLBEING

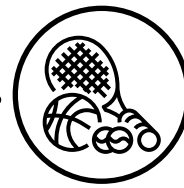
We believe that the health of an employee is directly proportional to their performance and in-turn the company's success. We give utmost importance to our employees' health and wellbeing. We provide comprehensive health insurance and support a healthy work-life balance. We organise health check-ups, and encourage individual and group sport activities. This ensures to create awareness among our employees regarding health and wellness.



Regular Health Check-ups



Healthy Work Culture



Sport activities- Individual/ Group

OCCUPATIONAL HEALTH AND SAFETY-



1.2%
Injury Rate
2019



0.8%
Injury Rate
2020



1.9%
Injury Rate
2021

We implement OHS policies and procedures in accordance with all applicable laws and regulations in jurisdictions in which we operate.

Our safety management systems and practices in the shipyard meet the highest international parameters. To this end, we have gained **ISO 45001:2018 Health and Safety Management** certification and Occupational Safety and Health Management System: 2017 by Industrial Development Bureau-DED.

In line with SOLAS (Safety of Life At Sea) which is a convention that aims to specify common international standards to safeguard human life at sea, establishing safety standards for technical aspects and for the preparedness of personnel in case of emergency, ADSB builds vessels in adherence with this convention.

WORKPLACE SAFETY



We emphasise taking precautions and measures to ensure safety at sea, preventing loss of life, injury, and property damage, during the operation of managed vessels.



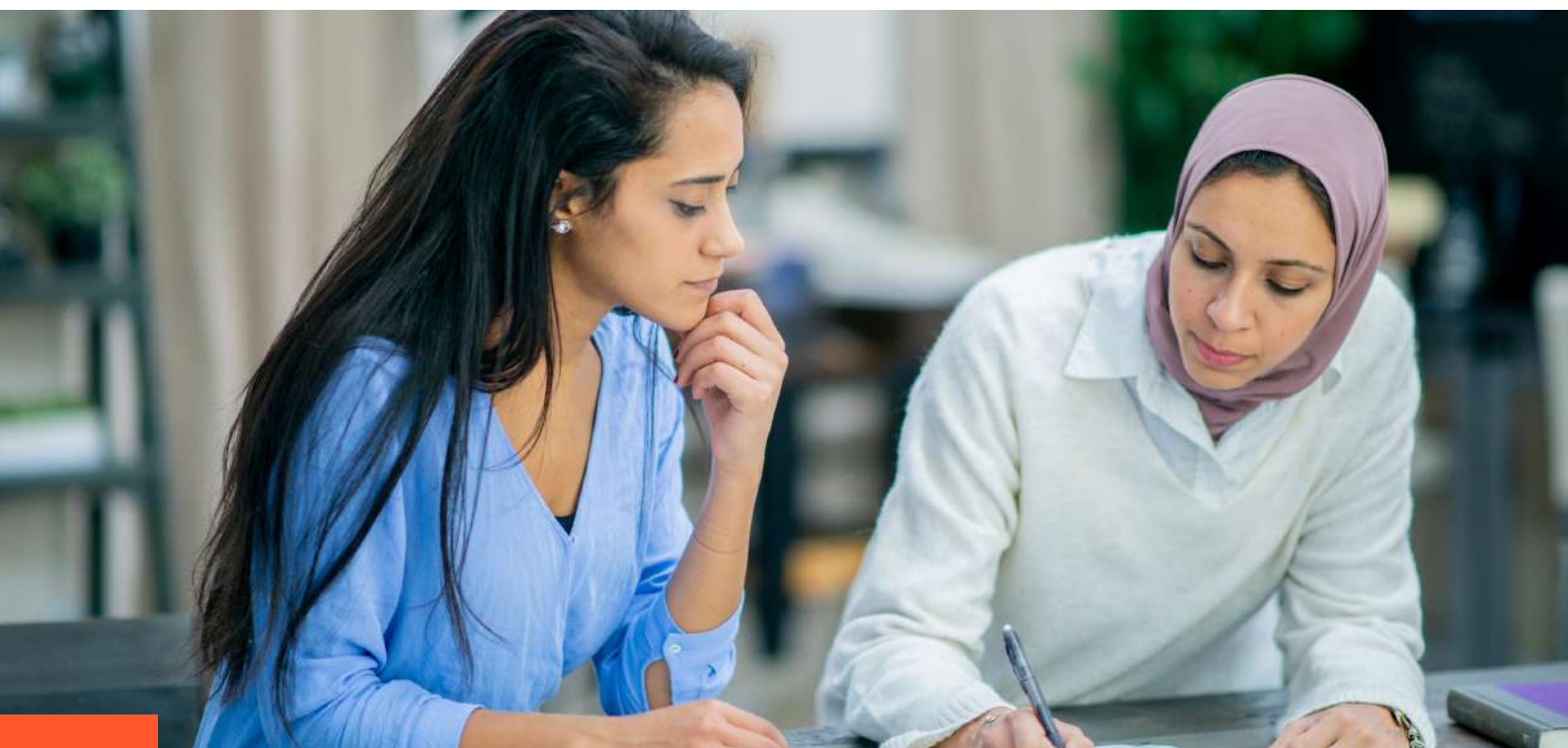
We aim to achieve
"Zero Incidents and Zero Accidents"
by improving consistently.



The safety and security of all our workers come first, including migrant workers, especially women migrants, and those in precarious employment.

WOMEN EMPOWERMENT

February 11th is International Day of Women and Girls in Science. We celebrated the contributions of our women who are pioneering advanced technology and shaping the future of defence.



REWARDS AND RECOGNITION

We received two prestigious awards reflecting our high quality commitment to the industry and corporate social responsibility.



"Enterprise Award" for our contribution to the region's ship repair industry at the 14th edition of the Seatrade Maritime Awards covering the Middle East, Indian Subcontinent and Africa.



"Corporate Social Responsibility (CSR) Award" at the fourth annual Maritime Standard Awards in Dubai.

We take pride in the quality of our business operations and our dedication to CSR. From being a humble, specialist naval shipbuilder and repairer, we now feature as an efficient, world-class, technologically advanced production and service facility by a highly-motivated workforce and a growing global agent network. These achievements inspire us to explore more innovative and creative solutions in our next growth phase.





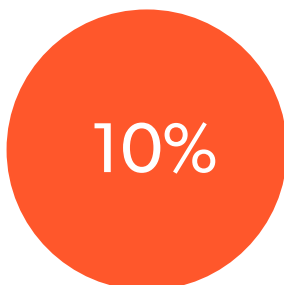
The Corporate Social Responsibility (CSR) Award recognizes and celebrates success in the shipping, ports and related sectors across the Middle East and Indian Subcontinent.



Our CSR strategy has been the main component in the shipyard's transition to a modern, highly efficient, productive and profitable shipbuilding and repair yard.



Our CSR programs highlight the advancement of the working environment for all employees, in and out in the yard.



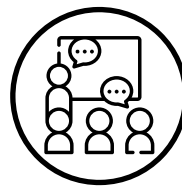
of our employees are UAE Nationals



2022 PLANS



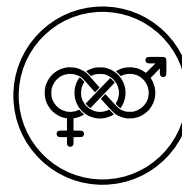
Ensure and increase safe working environment for all employees at the vessels and at the yards/production facilities



Conduct more workshops and activities that support our corporate social responsibilities



Ensure healthy lives and promote well-being for all at all ages

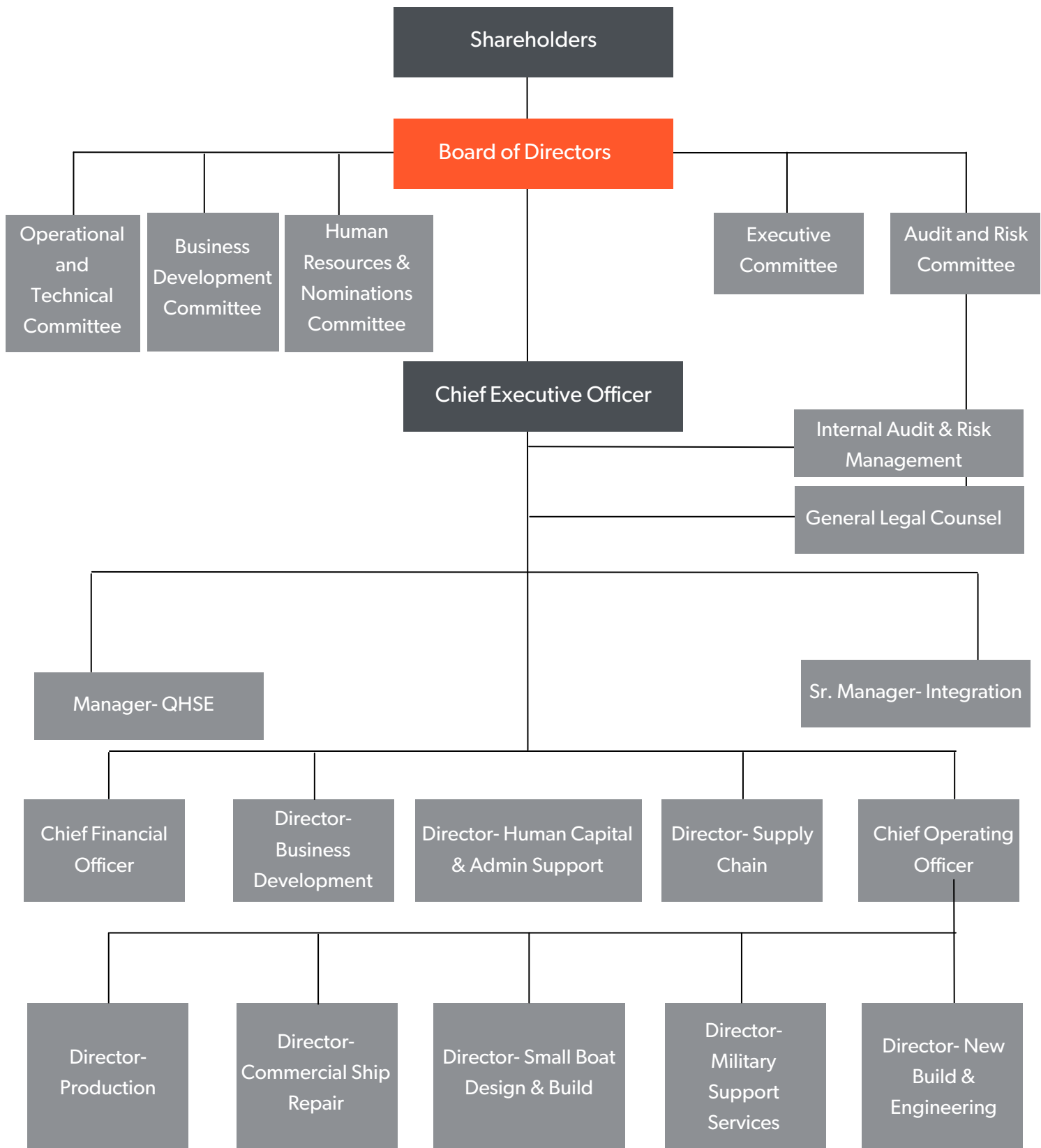


Achieve gender equality and empower all women

ETHICAL GOVERNANCE



GOVERNANCE STRUCTURE





09

Male



0

Female

0 Committees chairs held by women.

As witnessed in the last 3 years, no female candidate was nominated in the board elections. We are looking into including women in our board governance.

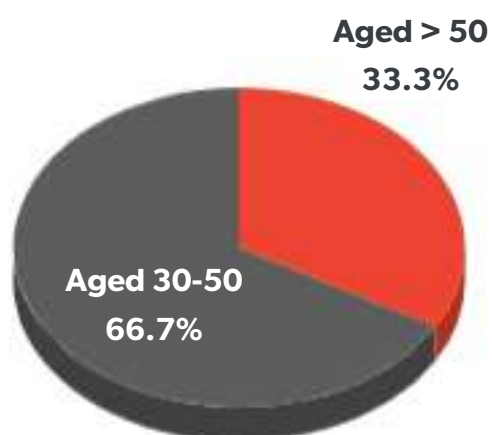
All of our board members are non-executive and independent.



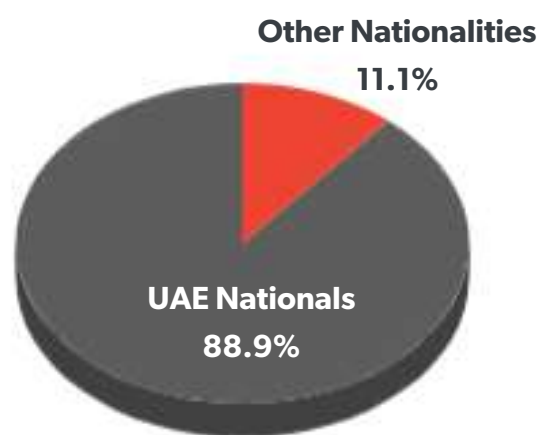
RESPONSIBLE GOVERNANCE

The Board of ADSB is responsible for guiding and monitoring the Company on behalf of shareholders. Oversight and management of ADSB's corporate governance policies and procedures are shared between the Board's Committees and the Board. Other than those responsibilities specifically reserved by the Board, the operation and administration of the Company is delegated by the Board to the CEO and the Executive Management team, who are accountable to the Board through the CEO.

ADSB demonstrates a complete commitment to the highest standards of organization and the application of best professional practices, governing the relationship between shareholders/ investors, the Board of Directors, Board's Committees, CEO and the Executive Management.



Board members by age group

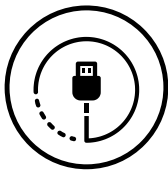


Board members by Nationalities



DATA PRIVACY

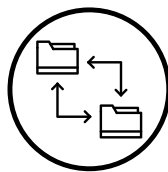
We realize that protecting our Company's intellectual property, our clients' and suppliers' data, and other sensitive company information is crucial to the stability and long-term success of our business. We are particularly focused on this and constantly seek to strengthen these protection measures, which range from technical controls across our network to software and hardware layers and a curriculum of employee training in cyber awareness.



Restricted use of USB drives & cloud computing and storage services



Specialized NDA for IT professionals to secure data



Restricted use of file sharing platforms



Limited LAN network for all ADSB employees



Restricted network drive access based on the ownership and responsibility



A submarine is visible on the water's surface, its conning tower and various antennas prominent against a hazy, orange-tinted sky. In the foreground, the calm water reflects the scene, including a palm tree that is partially visible on the left. A solid orange horizontal bar spans the width of the image, serving as a background for the title text.

SUSTAINABLE MANAGEMENT

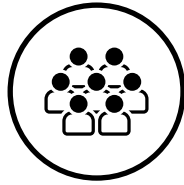
LISTENING TO OUR STAKEHOLDERS

We aim to develop a process for stakeholder engagement on material topics identified in the subsequent years. For our inaugural reporting, we considered the views of our key stakeholders, based on existing engagements, online surveys and conversations related to sustainability.

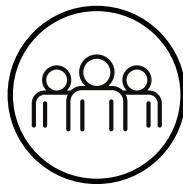
ADSB's KEY STAKEHOLDERS



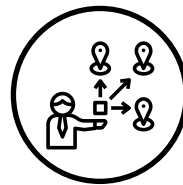
Clients



Shareholders



Employees



Suppliers



Banks

OUR 2022 PLAN FOR HOLISTIC STAKEHOLDER CONSULTATION



IDENTIFICATION

Stakeholder identification by discussion and deliberation by the corporate centre sustainability committee.



PRIORITISATION

Precedence to the stakeholders based on the level of influence they have on our decisions and activities.



ENGAGEMENT

Channels to connect with our stakeholders for determining material topics.



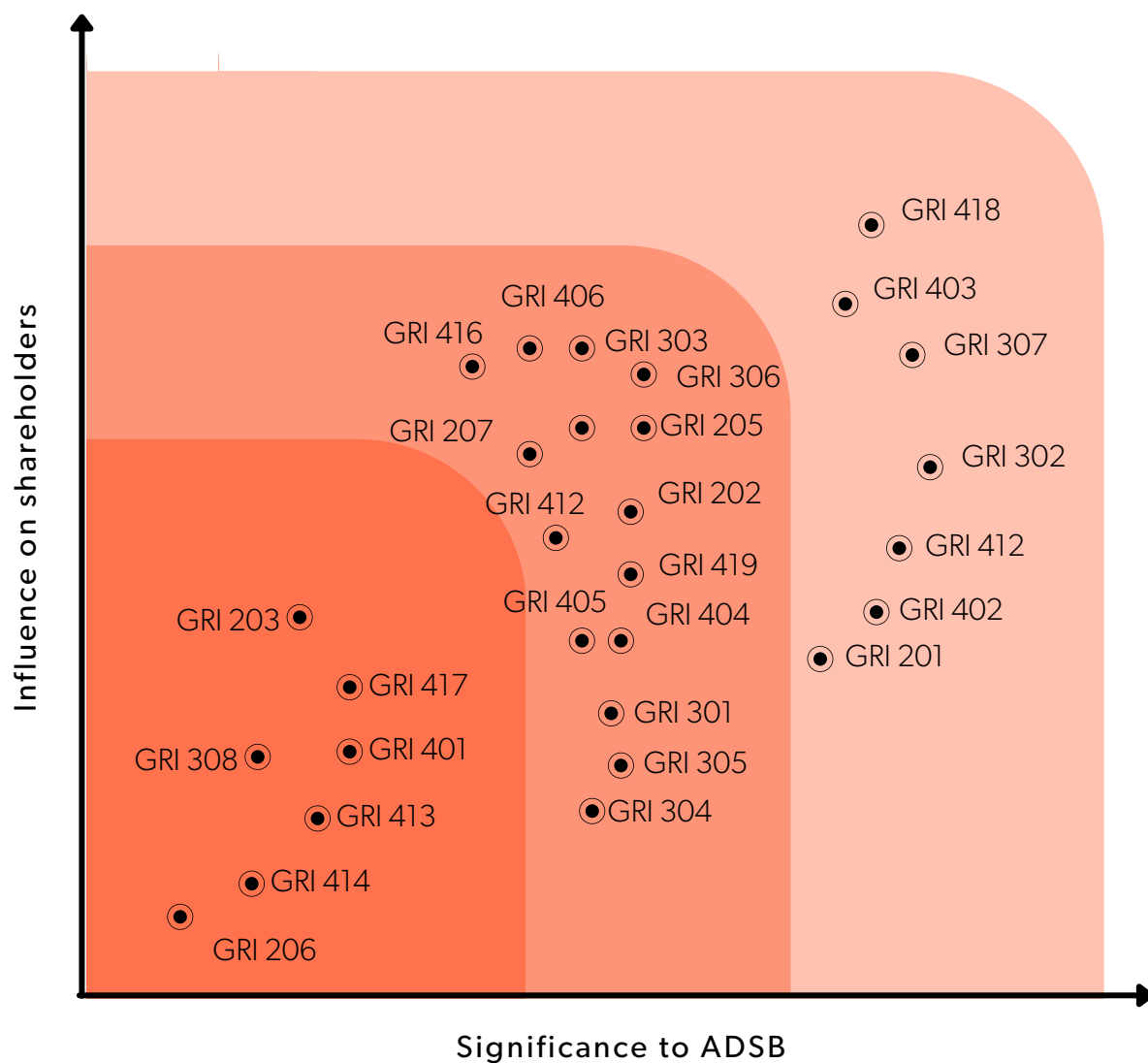
MANAGING EXPECTATIONS

Handling concerns and requirements of stakeholders and enhancing our relationship with them.

MATERIALITY

ANALYSIS

Materiality analysis is a crucial tool for us to identify the most relevant societal goals that align with our vision and business strategy. We plot the issues after our stakeholder interaction. Using this matrix, we selected the issues that have a major impact on our economic, social, and environmental performance, and those that may have a long-term impact on stakeholder perceptions and decisions. Internal and external stakeholders were contacted and strategic insights were included.



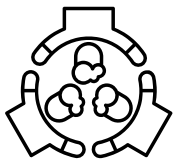
PRIORITIZED MATERIAL TOPICS



ENVIRONMENTAL

GRI 302: Energy

GRI 307: Environmental Compliance



SOCIAL & GOVERNANCE

GRI 402: Labor/Management Relations

GRI 403: Occupational Health & Safety

GRI 410: Security Practices

GRI 418: Client Privacy

*1: Non GRI Topic: Nationalization

*2: Non GRI Topic: Client Satisfaction



ECONOMICAL

GRI 201: Economic Performance



ALIGNMENT WITH UNSDGs







We recognize the United Nations Sustainable Development Goals (UNSDGs) in guiding international efforts to achieve sustainable development. We have identified 6 SDGs relevant to our business where we can have the greatest impact and positive contribution.









ADX ESG INDEX






ADX ESG INDEX

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Environmental	E1. GHG Emissions	E1.1) Total amount, in CO ₂ equivalents, for Scope 1 E1.2) Total amount, in CO ₂ equivalents, for Scope 2 (if applicable) E1.3) Total amount, in CO ₂ equivalents, for Scope 3 (if applicable)	GRI 305: Emissions 2016		Page 31
	E2. Emissions Intensity	E2.1) Total GHG emissions per output scaling factor E2.2) Total non-GHG emissions per output scaling factor	GRI 305: Emissions 2016		Page 31
	E3. Energy Usage	E3.1) Total amount of energy directly consumed E3.2) Total amount of energy indirectly consumed	GRI 302: Energy 2016		Page 29
	E4. Energy Intensity	Total direct energy usage per output scaling factor	GRI 302: Energy 2016		Page 29



	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Environmental	E5. Energy Mix	Percentage: Energy usage by generation type	GRI 302: Energy 2016		Page 28
	E6. Water Usage	E6.1) Total amount of water consumed E6.2) Total amount of water reclaimed	GRI 303: Water and Effluents 2018		Page 29
	E7. Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes, No E7.2) Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No E7.3) Does your company use a recognized energy management system? Yes/No	GRI 103: Management Approach 2016*		Yes No, we are working towards this avenue, to be disclosed in further reports. No, we are working towards this avenue, to be disclosed in further reports.
	E8. Environmental Oversight	Does your Board/Management Team oversee and/or manage climate-related risks? Yes/No	GRI 102: General Disclosures 2016		No, we are working towards this avenue, to be disclosed in further reports.

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
	E9. Environmental Oversight	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No			No, we are working towards this avenue, to be disclosed in further reports.
	E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development?			No, we are working towards this avenue, to be disclosed in further reports.
Social	S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median FTE total compensation S1.2) Does your company report this metric in regulatory filings? Yes/No	GRI 102: General Disclosures 2016		14.3:1 Yes
	S2. Gender Pay Ratio	Ratio: Average male compensation to average female compensation	GRI 405: Diversity and Equal Opportunity 2016		Page 35
	S.3 Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	GRI 401: Employment 2016		Page 34


	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Social		<p>S3.2) Percentage: Year-over-year change for part-time employees</p> <p>S3.3) Percentage: Year-over-year change for contractors and/or consultants</p>			<p>No part-time employees</p> <p>Page 34</p>
	S.4 Gender Diversity	<p>S4.1) Percentage: Total enterprise headcount held by men and women</p> <p>S4.2) Percentage: Entry- and mid-level positions held by men and women</p> <p>S4.3) Percentage: Senior- and executive-level positions held by men and women</p>	<p>GRI 102: General Disclosures 2016</p> <p>GRI 405: Diversity and Equal Opportunity 2016</p> <p>GRI 405: Diversity and Equal Opportunity 2016</p>		<p>Page 35</p>
	S.5 Temporary Worker Ratio	<p>S5.1) Percentage: Total enterprise headcount held by part-time employees</p> <p>S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants</p>	<p>GRI 102: General Disclosures 2016</p>		<p>No part-time employees.</p> <p>Page 34</p>

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Social	S6. Non-Discrimination	Does your company follow a sexual harassment and/or nondiscrimination policy? Yes/No	GRI 103: Management Approach 2016*		Yes
	S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	GRI 403: Occupational Health and Safety 2018		Page 37
	S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	GRI 403: Occupational Health and Safety 2018		Yes
	S9. Child & Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	GRI 103: Management Approach 2016*		Yes, we adhere to UAE laws.
	S10. Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	GRI 103: Management Approach 2016*		Yes

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Social		S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No			Yes
	S11. Nationalization	S11.1) Percentage of national employees S11.2) Direct and indirect local job creation			Page 40
	S12. Community Investment	S12.1) Amount invested in the community, as a percentage of company revenues			Potential areas are being evaluated, to be considered for investments in future.
Governance	G1. Board Diversity	G1.1) Percentage: Total board seats occupied by men and women G1.2) Percentage: Committee chairs occupied by men and women	GRI 405: Diversity and Equal Opportunity 2016		Page 44
	G2. Board Independence	G2.1) Does company prohibit CEO from serving as board chair? Yes/No	GRI 102: General Disclosures 2016		Yes

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Governance		G2.2) Percentage: Total board seats occupied by independents			Page 44
	G3. Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No	GRI 102: General Disclosures 2016		Yes
	G4. Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s) *Applicable to companies operating in countries in which collective bargaining is applicable by law	GRI 102: General Disclosures 2016		NA
	G5. Supplier Code of Conduct	G5.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/No G5.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	GRI 102: General Disclosures 2016 GRI 103: Management Approach 2016*		Yes



	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Governance	G6. Ethics & Anti-Corruption	G6.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No G6.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	GRI 102: General Disclosures 2016 GRI 103: Management Approach 2016*		Yes 100%
	G7. Data Privacy	G7.1) Does your company follow a Data Privacy policy? Yes/No G7.2) Has your company taken steps to comply with GDPR rules? Yes/No	GRI 103: Management Approach 2016*		Page 46 No
	G8. Sustainability Reporting	G8.1) Does your company publish a sustainability report? Yes/No G8.2) Is sustainability data included in your regulatory filings? Yes/No			Yes, this is our first sustainability report. Yes
	G9. Disclosure Practices	G9.1) Does your company provide data to sustainability reporting frameworks?			No, we will be considering in future for necessary disclosures.

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Governance		G9.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No G9.3) Does your company set targets and report progress on the UN SDGs? Yes/No			Yes No, ADSB will be considering in next report for necessary disclosures.
	G10. External Assurance	Are your sustainability disclosures assured or validated by a third party? Yes/No	GRI 102: General Disclosures 2016 * GRI 103: Management Approach 2016 is to be used in combination with the topic specific Standards		No, we chose to have internal assurance this year since it is our first year of reporting.





Since the genesis of civilization, oceans and stars have been the guiding light to the world. The farer, who risks everything for the dream of exploration, traversing beyond those mammoth oceans, has only a ship below his feet, and immense courage, to feel secure. Protection of oceans, shipping of food and resources, all depend on ships. Efficient shipbuilding is about that - sustainability and security

- Adi



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Developed with assistance of
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