



**NESR**

NATIONAL ENERGY SERVICES  
REUNITED CORP.

# Environmental, Social & Governance

Report

**2023**







# INTRODUCTION

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## National Energy Services Reunited Corp.

(We, NESR or Company, as the case may be) Environmental, Social & Governance (ESG) Report covers our ESG activities and performance for our Fiscal Year 2023 from January 1, 2023, to December 31, 2023.

The report accounts for NESR's operations worldwide, unless otherwise noted. Select data and examples of our ESG performance in 2021 and 2022 were incorporated when relevant.

This report outlines our approach to ESG and our focus on the long-term sustainability of the Company. The content within this report should not be considered a substitute for financially material information provided in NESR's SEC filings.



For questions about ESG at NESR or about this report, please contact [ESG@nesr.com](mailto:ESG@nesr.com)



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We are pleased to share the 2023 edition of our ESG report, and I want to start by thanking you for taking the time to explore the details and data behind our transformative growth and improvement that the Company has achieved over the past several years. It's hard to believe that NESR is entering its eighth year since its founding in 2017 as the first, US-listed energy company from the Middle East & North Africa (MENA) region. While our evolution as the National Champion of MENA energy services has not been without challenges, we emerged from 2023 in our strongest position ever as a company – not only in terms of the robust business outlook, but also with respect to the significant finance & process enhancements in recent years that solidify our governance and ensure sustainable success as we move forward into a bright future.

In December of 2023, NESR completed the restatement of its historical financials, a milestone which represents the culmination of several years of significant investment, process improvement, technology adoption, training & personnel development, and

an overall organisational focus on standardizing the way we work across more than 15 major countries and more than 20 business divisions. We were able to complete this exercise even while continuing to deliver industry-leading business growth in 2023, a tall task for our teams but an achievement that nevertheless further differentiates NESR from our regional MENA peers. Our recent return to Nasdaq is the capstone to this multi-year effort, but we carry forward our utmost commitment to governance and the highest financial reporting standards. I personally would like to thank our entire team for delivering on our goals, and thank our customers and shareholders for their unwavering support.

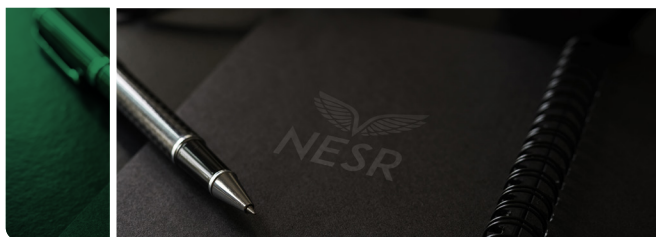
Perhaps most importantly, NESR has continued to execute on its ESG strategy, which remains foundational to the way that we approach our business and also the way that we aim to support the communities in which we work. Of the many Key Performance Indicators (KPIs) that we track in ESG, I think the overall growth of our workforce is foremost among the positive indicators that show our positive impact on communities in the MENA region.

With over 6,000 employees globally as of year-end 2023, we've grown our workforce by 185%, nearly tripling headcount since the start of the company, focusing on hiring locally to exceed even the most stringent In-Country Value (ICV) & related local

content standards. We've also achieved our target of increasing the training hours per employee by +10% per year over the last three years, a KPI embedded into our 2021 Sustainability Linked Loan agreement and inherent in our health, safety, and service quality DNA. As we continue to lead the sector in local MENA investment, our first investment is in our people.

From an environmental standpoint, we like to think of ESG "internally" and "externally". Our "internal" environmental efforts comprise everything from our data capture & reporting (e.g. Scope 1 & 2 emissions, water usage, waste management, etc) to projects & investments that have a direct, positive impact on our environmental footprint. In 2023, NESR was awarded a key sustainability prize by one of our leading national oil company (NOC) customers, for investment in solar electrification of our Habshan, UAE operating base.

The project has reduced our Scope 2 in that facility by up to 30%, with substantial cost savings to the company, and we have a vision to expand this success to facilities and operations across the region. Elsewhere in our "internal" environmental efforts, we continue to deploy artificial intelligence (AI) based continuous methane monitoring technology, a solution that is gaining significant traction in North America and is being evaluated by the US Environmental Protection Agency (EPA) as a certified, alternative solution for Leak Detection & Repair (LDAR) regulations.





Our “external” ESG impact is delivered through our customer-facing NESR Environmental & Decarbonization Applications (NEDA) segment, which is comprised of technologies & services across water treatment, emissions detection & control, flare abatement, and heat capture. NEDA translates to “call to action” in Arabic, and like our broader open-platform approach to technology importation is a segment through which unique technologies, often from outside of oil & gas (O&G) and the MENA region, can be adapted and deployed to meet our customers’ sustainability challenges.

In 2023, we successfully executed a 2nd, high-profile pilot of our Zero Liquid Discharge (ZLD) water treatment solution in Saudi Arabia, proving that both water & minerals can be recovered & recycled from reservoir waste. As a result of this success, we made a significant equity investment in this technology company. We continue to work with our visionary customers in scaling up this and similar water technologies, to transform our industry into one that is completely self-sufficient for its hefty water consumption. In the Middle East, this is understandably very closely tied to country-level strategies aimed at addressing the ongoing water crises in the region.

Speaking of country-level strategies and the various Net Zero carbon commitments in the MENA region, we are also proud to have delivered in 2023 the first at-scale deployment of fixed, continuous emissions

monitoring (CEM) with a multinational client in Oman. We believe that Artificial Intelligence-based CEM, which is growing rapidly in the North American oilfield, will be one of a handful of “standard” technology types in the emissions detection realm, and see a similarly bright future for our Qube platform in MENA. We are actively engaged in piloting this technology in Saudi Arabia, and looking for similar success across the region, as CEM can deliver substantial value by monitoring & alerting fugitive emissions and leaks in real time, saving substantial CO<sub>2</sub>e emissions by addressing problems quickly.

From a governance standpoint, 2023 saw immense NESR investment and improvement in various finance & support functions, to both maintain pace with rapid business growth and also structure the company for continued expansion for the foreseeable future.

During the year, we completed the bulk of our rollout of SAP Cloud, and effected substantial training & personnel improvements to maximize the benefit of these associated technological investments. Evidence of this improvement can be seen in the stark improvement in our working capital efficiency during 2023. Additionally, we aligned management compensation of finance & support functions more closely to key compliance-related initiatives, all part of our evolution & maturity as a high-growth company in the energy services sector. Finally, 2023 marked the seventh-straight (7th) year of my forfeiture of a Restricted Stock Unit (RSU) award, for

distribution down and across the organisation to enhance impact-employee retention and reward the team for their remarkable accomplishments, both operationally and in the various support functions.

I am extremely proud of the entire NESR organisation, and 2023 was a transformational year for the Company on multiple fronts. ESG has been and remains core to our overall strategy, and given the continued success that we are seeing in 2024 in key Environmental, Social & Governance initiatives, I look forward to updating you annually on our progress.

In addition to our remarkable employees, I want to express my sincere gratitude to our valued customers, suppliers, technology partners, and investors, for their belief and support in NESR, both from the start of the company and especially during a pivotal 2023.

Sincerely ,



**SHERIF FODA**

Chairman of the Board &  
Chief Executive Officer of NESR



## NESR at a Glance

Founded in 2017, NESR is one of the largest national oilfield services providers in the MENA and Asia Pacific regions. With over 6,000 employees, representing more than 60 nationalities in over 15 countries, the Company helps its customers unlock the full potential of their reservoirs by providing Production Services such as Hydraulic Fracturing, Cementing, Coiled Tubing, Filtration, Completions, Stimulation, Pumping and Nitrogen Services.

The Company also helps its customers to access their reservoirs in a smarter and faster manner by providing Drilling and Evaluation Services such as Drilling Downhole Tools, Directional Drilling, Fishing Tools, Testing Services, Wireline, Slickline, Drilling Fluids and Rig Services.

Within the recently commercialized NEDA segment, the Company has built a portfolio of innovative solutions in the areas of Water & Mineral Recovery, Flare Abatement, Emissions Detection, and Heat Capture & New Energies. This open technology platform brings together solutions from around the world, including from industries beyond O&G, to help address key environmental & decarbonization challenges across the MENA upstream sector.

As the National Champion of MENA with operations spanning across all the major

 **6000** Employees

 **16** Countries

 **60** Nationalities

 **20** Service Lines



Production  
Services



Drilling & Evaluation  
Services



oil and gas basins in the region, NESR prides itself on delivering exceptional service and deploying optimal technical solutions to solve the challenges of more than 30 of our oil and gas customers, while striving to promote local content, research & development and human capital cultivation across the communities in which we work.

## 2023 Financial Results

### Revenues:

**\$1.15B** (+26% Year-Over-Year)

### Adjusted EBITDA:

**\$262.3 million** (22.9% margin)  
non-GAAP

### Adjusted Net Income:

**\$50.2 million**  
non-GAAP

### Cash Flow from Operations:

**\$177.0 million**

### Free Cash Flow:

**\$108.8** million (non-GAAP)

For definitions of non-GAAP financials to the most directly comparable GAAP financial figures can be found in our full year 2023 filing 20-F available on our website <https://investors.nesr.com/websites/nationalenergy/English/2010/us-sec-filing.html?shortDesc=Annual%20and%20Transition%20Report%20%28foreign%20private%20issuer%29&secFilingId=712a8a2b-93b8-444d-9b64-c2fb6d0f688d&format=convpdf>





**QAZI SAEED**  
SERVICE DELIVERY  
MANAGER -NEDA

*"Joining NEDA has provided me a unique opportunity to engage with innovative decarbonization technologies, shaping a sustainable future for the energy sector. I'm proud to contribute to NESR's mission of advancing environmental solutions that drive both economic growth and environmental responsibility in MENA. has context menu"*



## National Champion "in our DNA"

### 3Cs Centric

#### Customers

Customer centricity lies at the heart of our business strategy, and our goal is to be a nimble enabler of new technologies & outside-the-box thinking. This requires our entire organisation to stay open-minded, responsive to our clients' challenges, and constantly push the envelope of innovation to enhance our service delivery. We strive to be recognized as the very best in service quality, safety culture, and also as an open technology platform for streamlining the innovation cycle in key areas such as drilling, production enhancement, and water & decarbonization applications.

#### Communities

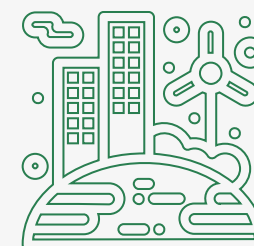
A circular energy economy can be broken down most fundamentally to the community level. Our customers provide capital for developing valuable country resources, and we provide the initiative to develop the most localized manufacturing, supply chain, and human capital in support of this development. Our investment in people, infrastructure, and innovation starts with a vision toward ICV creation, and creates a wellspring of positive impact to the communities in which we operate. Our employees are the lifeblood of the company, and with a strong safety and conduct culture our first aim is to empower our employees, and by extension our communities, to reach their maximum potential.

#### Collaboration

We humbly recognize that ours is a collaborative industry, and no single technology or service provider has all the solutions to meet evolving industry challenges. With this in mind, our aim is to combine robust research & development investment with a leading technology platform that is open to any and all innovators from around the world and across industries beyond O&G. Our sector must play a leading role in decarbonization and the energy transition, but must also adopt and adapt many valuable tools that are emerging from beyond our sector.



## Our Partner & Portfolio Company Ecosystem:







# BUILDING Blocks of ESG

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## Background of NESR ESG

The NESR ESG strategy was first conceptualized in 2019, when the company began to track KPIs and other data presented in this report. This was an important step for the Company in establishing a baseline of ESG performance, and provide greater visibility into our operations beyond the typical operational and financial metrics that we track internally and report externally.

On the heels of 2020 and the post-pandemic recovery, ESG took center stage from a global perspective, as our industry confronted substantial challenges and change. Through this time the guidelines of ESG data tracking and reporting saw continuous improvement and standardization, and NESR experienced its own transformation with respect to business expansion and necessary overhaul of its finance and support functions. In 2021, NESR published its inaugural ESG Report for the year 2020. Later in 2021, and in collaboration with its credit consortium, NESR entered into the first Sustainability-Linked Loan (SLL) agreement within the MENA energy services industry, so while NESR ESG reporting was temporarily paused with the financial restatement that began in 2022, the Company continued to measure, improve, and report key ESG metrics, complete with a rigorous, third-party assurance of the data reported to its lenders as part of the SLL.

## ARAB NEWS

### National Energy Services Reunited secures HSBC sustainability-linked loan

With the completion of its uplisting to Nasdaq in October 2024, NESR is proud to reinitiate its annual ESG reporting with this 2023 version of the report. Since the inaugural report published in 2021, NESR has remained laser-focused on steadily augmenting and modernizing its ESG practices to comport with improving reporting standardization across the broader market.

## The Key Building Blocks of the NESR ESG Strategy include (but are not limited to):

- ✓ **Ensure strong oversight of ESG across NESR**, with robust feedback mechanisms to drive improvement.
- ✓ **Ensure that the NESR ESG Strategy** aligns with the most pragmatically ambitious development goals.
- ✓ **Ensure rigorous stakeholder engagement** in support of sustainable value creation.
- ✓ **Ensure that in-country value creation** is maximized within the pursuit of returns generation.
- ✓ **Ensure that community outreach and development** transcends day-to-day business operations.
- ✓ **Ensure leading research & innovation**, supporting both partnerships and human capital development.
- ✓ **Ensure adherence** to equitable labor practices.
- ✓ **Ensure a respectful** workplace environment & respectful employee relations.
- ✓ **Ensure that we strive** for diversity, equity & inclusion.
- ✓ **Ensure a strong** health & safety culture.
- ✓ **Ensure we prioritize** environmental stewardship.
- ✓ **Ensure adherence** to health, safety and environmental (HSE) compliance & disclosure.
- ✓ **Ensure continuous** improvement of ESG data capture and disclosure.



# Oversight of ESG

NESR's first duty is to its shareholders, for whom value creation must be sustainable (repeatable) and enduring, which underscores the inextricable link between shareholder value and corporate sustainability. NESR is built on a strong foundation of integrity, ethics, and social responsibility.

Corporate governance principles are overseen by our Board and instilled in our employees through our Code of Conduct. At the Board direction, ESG updates are presented to the Board quarterly to ensure ESG considerations are factored into business decisions.

In addition, the Board reviews and monitors ESG risks and opportunities at Board and committee meetings as deemed necessary, which provides for a robust feedback loop for continuous ESG improvement.



**SHERIF FODA**  
Chairman of the Board & Chief Executive Officer of NESR

*"I am extremely proud of the entire NESR organisation, and 2023 was a transformational year for the Company on multiple fronts. ESG has been and remains core to our overall strategy, and given the continued success that we are seeing in 2024 in key Environmental, Social & Governance initiatives, I look forward to updating you annually on our progress."*

## BIO & NESR Board of Directors Responsibilities



**SHERIF FODA**  
Chairman of the Board & CEO

**Chairman & CEO** - Sherif Foda has served as the Chairman and Chief Executive Officer of NESR since inception. He founded the company in 2017 as a SPAC to create the first and largest energy services company from the MENA region publicly listed on the Nasdaq Stock Market. He has more than three decades of professional experience in the energy industry working primarily in his earlier career for Schlumberger Limited (NYSE: SLB) around the world, particularly in the Middle East, Europe and the US. He served as Senior Advisor to the Chairman of SLB, officer and President of the Production Group, the President of Europe and Africa, VP & MD of the Arabian market, President of well intervention worldwide, among other roles. He started his career in 1993 with SLB (Red Sea). He sits on multiple private boards, serves as the Chairman of W.D. Von Gonten in Houston, GLC energy in London and is a board member for Al Fanar Venture philanthropy in London.



**ANTONIO MEJIA**  
Lead Independent Director

**Lead Independent Director** - Antonio J. Campo Mejia has been an Independent director of NESR since inception in May 2017, and is the Lead Independent Director of the board. He is also a nonexecutive director of the Supervisory Board of Fugro N.V., a company providing geosciences services. From 2009 to 2012, Antonio served as CEO of Integra Group, an oilfield services company predominantly in Russia (and simultaneously served on the boards of Basin Supply LP, Basin Tools LP and Basin Energy Services LP). Prior to 2009, he spent 28 years of his professional career at Schlumberger, in a multitude of senior management positions in different parts of the world. Mr. Campo served as the President of Latin America for Oilfield Services and President of Europe & Africa and was the President of Schlumberger's Integrated Project Management business responsible for worldwide operations in this service line. He graduated with a Bachelors in Electronic Engineering from Pontificia Universidad Javeriana in 1980 and began his career in SLB wireline.



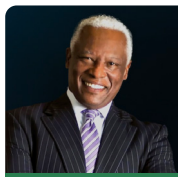
**YUSEF AL NOWAIS**  
Independent Director

**Independent Director** - Yousef Al Nowais has served as an independent director since November 2019. He is also the Chairman and Managing Director of Arab Development ("ARDECO"), a company he founded in his home city of Abu Dhabi, United Arab Emirates. ARDECO is a large, diversified business and a leading player in the oil and gas (O&G) and petrochemical (petchem) sectors. He also served as the Co-Chairman of Al Nowais Investments LLC, a leading investment company in Abu Dhabi with local and international holdings. Prior to founding ARDECO, Mr. Al Nowais joined ADNOC after graduating from the University of Arizona in 1979 and held several senior positions, including Finance Director and Managing Director of ADNOC's subsidiary, FERTIL. From 2007 to 2013, Al Nowais served as Managing Director of Al Maabar International, a leading UAE organisation investing in real estate.



**ANDREW L. WAITE**  
Independent Director

**Independent Director** - Andrew Waite was elected to the NESR board in June 2018 and is an independent director. He is the Managing Partner of SCF Partners, Inc, the ultimate general partner of SCF-VIII LP, and has been an officer at SCF Partners since 1995. He was previously Vice President of Simmons & Company International, where he served from 1993 to 1995. From 1984 to 1991, Mr. Waite held several engineering and project management positions with Royal Dutch/Shell Group. He currently serves on the board of Nine Energy Service, Inc (NYSE: NINE), a position held since 2013, and previously served on the boards of Complete Production Services Inc (previously NYSE:CPX), Hornbeck Offshore Services, Inc (previously NYSE:HOS), Oil States International, Inc (NYSE:OIS) Atlantic Navigation Holdings (Singapore) Ltd (SGX:5UL), and Forum Energy Technologies Inc (NYSE:FET). Mr. Waite received an MBA with High Distinction from Harvard Business School, an MS degree in Environmental Engineering Science from California Institute of Technology, and a BS in Civil Engineering from Loughborough University.



**ANTHONY CHASE**  
Independent Director

**Independent Director** - Anthony (Tony) Chase is Chairman and CEO of ChaseSource, LP a staffing, facilities management, and real estate development firm. Mr. Chase started and sold three ventures (Chase Radio Partners, Cricket Wireless and ChaseCom) and now own and operates his fourth, ChaseSource. Mr. Chase is also a principal owner of the Houston Airport Marriott at George Bush Intercontinental Airport and the Principal Auto Toyota dealership in greater Memphis, TN. Mr. Chase serves on several non-profit boards in Houston. Mr. Chase serves on the boards of LyondellBasell Industries N.V. (NYSE: LYB) Nabors Industries Ltd. (NYSE: NBR) and Par-Pacific Holdings, Inc. (NYSE: PARR). He is a Professor of Law Emeritus at the University of Houston Law Center.





# Sustainable Development Goals

## SUSTAINABLE DEVELOPMENT GOALS 17 GOALS TO TRANSFORM OUR WORLD



When NESR began its ESG journey in 2019, lack of standardization across different reporting regimes was a notable challenge. While there is appreciable overlap in the mapping of key elements of NESR's ESG strategy with those of various reporting standards, the Company identified the United Nations 2015 Sustainable Development Goals (SDGs) as the "blueprint" for its original ESG strategy in 2019. Since that time, NESR has not wavered in the pursuit of these goals while advancing its ESG strategy.

The following sections of the report aim to illustrate how the aforementioned key building blocks of the NESR ESG strategy align with the UN SDGs, irrespective of the reporting standards with which data throughout the rest of the report is presented.



# Stakeholder Engagement



NESR's Board and management are committed to transparency, open communication, and creating long-lasting value for all internal and external stakeholders. We align our business decisions with the interests of our shareholders, which includes rigorous engagement with external stakeholders as it relates to shared concern for people, communities and the planet.

We also believe in the universal values of fairness, equality, and respect for human rights and dignity and apply those values to all our dealings with customers, employees, suppliers, investors, communities, and the environment. We manage ESG risks and capture opportunities that improve the sustainability of our business and believe that maintaining strong relations with all our stakeholders is core to creating strong, sustainable communities everywhere we work.

-  Reduce our environmental footprint
-  Develop our local and global communities
-  Produce high-quality, safe, and useful products and services
-  Develop and invest in our human capital
-  Build the capacity of our suppliers
-  Communicate transparently with our investors and shareholders





## Generating In-Country Value



We pride ourselves on being the “National Champion” of the MENA region and the first company from the MENA region to be listed on the Nasdaq exchange. As a viable national alternative and a leading oilfield services provider in the region, we are steadfast in our commitment to contributing to the health of the economies in which we operate.

We are guided by a strict mandate to align our local activities and investments with the visions and national priorities of the MENA region. As such, we participate in many local content programs – including IKTVA in Saudi Arabia, TAWTEEN in Qatar, and different ICV Programs in the United Arab Emirates (UAE), Oman, and Algeria - to increase local employment, manufacturing, and procurement where we do business.



**NOUF ALTWAIJRI**  
COMMUNICATION &  
ENGAGEMENT LEAD

*"At NESR, we are committed to fostering sustainable local supply chains, workforce development, and innovation across all 16 countries in which we operate. By prioritizing local spending, supplier development, and strategic partnerships, we pride ourselves on driving both economic growth and community empowerment. Moreover, through our participation in the IKTVA program, we support local manufacturing and compliance with local content requirements. Additionally, through our NORI R&D center, we collaborate with both local Small and Medium-sized Enterprises (SMEs) and global universities to drive innovation, enhance technology, and tackle regional challenges, simultaneously ensuring sustainability in the region's energy sector."*



Our focus on enhancing our contribution to the communities in which we operate includes supporting the growth of small and medium enterprises in the MENA region, particularly through contracting local suppliers. In 2023, in 61.5% of the countries where we operate, over 75% of the employee workforce was comprised of nationals of such countries, including three countries of operation which were entirely nationalized. To strengthen local supply chains, 80.3% of our total procurement budget was spent on local suppliers, and we spent more than 3,100 hours developing and training local suppliers in 2019.



# Developing Local Communities



NESR's commitment to responsible corporate citizenship and the betterment of communities is unwavering. We develop communities by creating long-term value through investments and partnerships with local community players, including non-governmental organisations, non-profit organisations, and companies that share our values and ethical standards. We are dedicated to maximizing the employment of nationals in our local operations while maintaining fair hiring practices and promoting diversity and inclusion in our workplaces and ensuring fair treatment and equal opportunities for everyone.

NESR offices in all countries of operations created a network of employee engagement champions who created 14 Community Involvement Teams (CITs) across the Company. Throughout 2023, our CITs had our employees across the globe engage with their communities on environmental, health awareness, and educational activities.

Corporate giving is also high on our agenda and aligned with our strategic community development priorities. In 2023, we inaugurated our NESR Oilfield Research & Innovation (NORI) center in Saudi Dhahran Techno Valley, which serves as our foundation for university collaboration and the investment in local R&D in the region.





# Investing in Research and Development



In February 2023, the Company opened and inaugurated its NESR Oilfield Research & Innovation (NORI) Center, located in the heart of Saudi Arabia's industrial research, technology and academic hub. NORI enhances NESR's ability to drive energy sector research & innovation across the MENA region, while also augmenting the Company's alignment specifically with Saudi Arabia's Vision 2030. A flagship student exchange program with King Fahd University of Petroleum & Minerals ("KFUPM") further supports NESR's leading in-country personnel development & IKTVA investment.

NORI also houses the recently acquired W. D. Von Gonten state-of-the-art Reservoir Characterization lab, supporting unmatched Geological & Geophysical research with a particular focus on the burgeoning unconventional resources in Saudi Arabia and across the MENA region. Furthermore, NORI features an AI based Operational Intelligence lab that will support multiple segments, including NESR's rapidly evolving hydraulic fracturing and directional drilling product lines. Key NESR Environmental & Decarbonization Application technologies and research initiatives are also domiciled in NORI.

We believe that by constructing energy-efficient facilities and retrofitting existing facilities, companies can greatly reduce energy consumption, which is both environmentally and fiscally responsible. Thus, NORI was designed to comply with Leadership in Energy and Environmental Design (LEED) certification requirements and consumes 20% less energy than comparable buildings in Saudi Arabia. We estimate that approximately up to 20% of the energy consumed at NORI is generated from renewable energy sources.



**NORI** incorporates high-efficiency HVAC systems, insulation, LED lighting, low-flow plumbing fixtures and irrigation systems, and other sustainable building materials. We have also installed building management systems to monitor energy consumption at NORI and conduct energy modeling and reduce energy consumption. In addition, sustainable water management plans have been included in the design of the project. Rainwater collection and dispersion systems are installed, and sustainable landscaping has been adopted in the design of the center. Native plants were incorporated into the design to reduce water consumption in the desert environment of Saudi Arabia.



**SHERIF FODA**  
CHAIRMAN OF THE  
BOARD & CEO

*"We are proud to inaugurate a world class R&D center that will both deepen the NESR commitment to in-country investment in the Kingdom of Saudi Arabia, while strengthening key strategic initiatives across the Middle East. NORI is now the link that ties investment capital not only to human capital, but also to cutting-edge technology development. The result? Revolutionary R&D initiatives brought to life from our very own state-of-the art facility."*



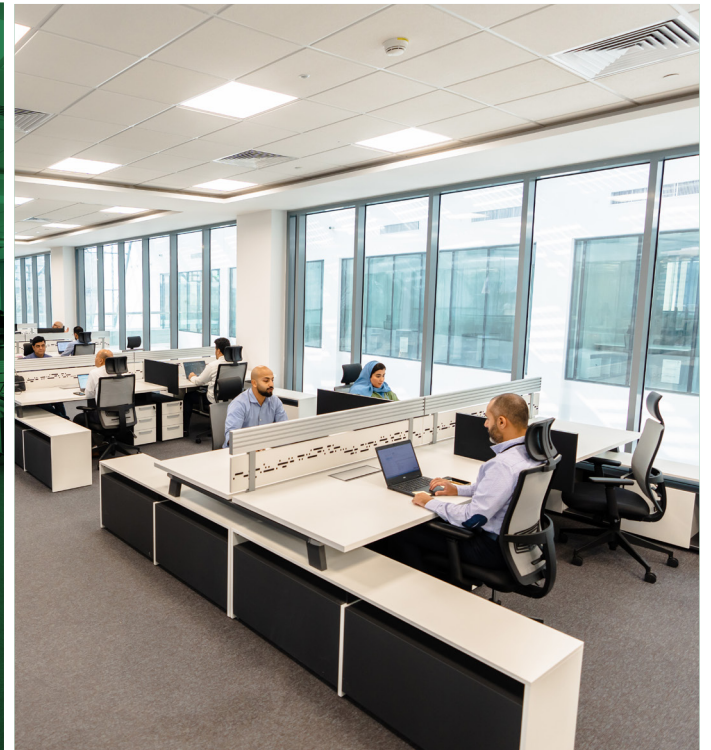
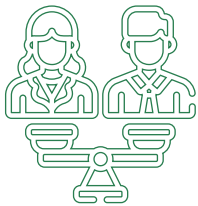


# Supporting Equitable Labor Practices



Our Code of Conduct protects the rights of workers and preserves and respects human dignity. We are committed to the fair treatment and welfare of all our employees, individuals within our supply chains, contractors, and others who interact with our business.

We respect freedom of association, freedom of choice, and equal opportunities for all. As such, and in alignment with the United Nations Universal Declaration of Human Rights and the International Labor Organisation Declaration on Fundamental Principles and Rights at Work, U.N. Guiding Principles, we prohibit child labor, human trafficking, and all forms of modern-day slavery including forced labor (*NESR Code of Conduct, p. 6, 19*).



# Fostering Respectful Workplace Environment & Employee Relations



## Harassment

NESR is committed to promoting and ensuring a work environment that is safe, empowering and free of harassment. Our employees are entitled to be treated with respect and dignity in a work environment that is free of all types of harassment, including offensive behavior, unwelcome comments (written or spoken), acts or conduct that violate an individual's dignity, and/or create an intimidating, hostile, degrading, humiliating or offensive environment.

Our employees are required to report harassment to [ethics@nesr.com](mailto:ethics@nesr.com) (*NESR Code of Conduct p. 20*).

## Discrimination

We are committed to providing equal employment opportunities and comply with all applicable immigration and employment labor laws. We work in a company where employees of many nationalities, diverse skills and backgrounds collaborate to achieve common goals. We embrace uniqueness and strive to ensure that differences are appreciated, celebrated, and respected.

We are dedicated to fostering an engaging, empowering, safe and responsible corporate culture, not only because it is the right thing to do, but because the diversity of our workforce and the inclusiveness of our culture strengthen our long-term competitiveness and sustainability. Therefore, we ensure that no decisions are made based on race, color, religion, sex, disability, marital status, military or veteran status, citizenship, or any other characteristic or class protected by the laws or regulations in the locations where we operate.

We administer our personnel policies, programs, and practices in a nondiscriminatory manner in all aspects of the employment relationship, including recruitment, hiring, work assignment, promotion, transfer, termination, wage and salary administration, and selection for training. Managers and supervisors are responsible for implementing and administering this policy, maintaining a work environment free from unlawful discrimination, and promptly identifying and resolving issues related to equal employment opportunities.



Individuals who believe they have observed or been subjected to prohibited discrimination are required to immediately report incidents to their supervisors, upper management, their designated Human Resources contact or at [ethics@nesr.com](mailto:ethics@nesr.com) (*NESR Code of Conduct p. 21*).

## Substance Abuse

We are committed to a safe, healthy, productive, and a substance abuse-free workplace for all employees. Alcohol, drugs, inhalants or any other form of substance abuse that will or has the potential to impair our employees' ability to perform properly, and adversely affects safety, efficiency and productivity of other employees is prohibited. Likewise, the misuse of over the counter or prescription drugs, or the use, possession, distribution, or sale of illicit or un-prescribed controlled drugs on Company business

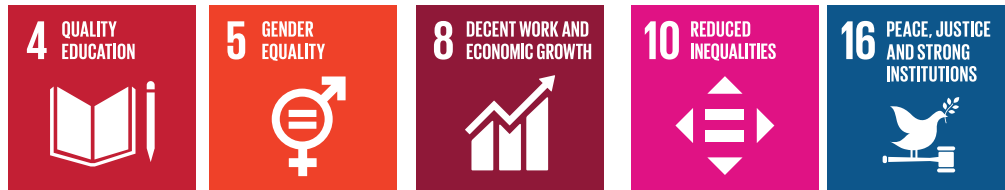


or premises, is strictly prohibited and is grounds for termination of employment. Possession, use, distribution, or sale of alcoholic beverages on worksites is also not allowed (*NESR Code of Conduct p. 22*).





# Striving for Diversity, Equity, and Inclusion



We believe that providing an empowering, inclusive, and diverse work environment enables us to attract and retain top employees who can drive the success of our business. We also believe that all people should be treated with dignity and respect and that our employees and contractors should adhere to the policies, guidelines, business ethics, and values set in NESR Code of Conduct. Our Code of Conduct reaffirms our commitment to protect our employees from all forms of discrimination in the workplace. It applies to all directors, officers, and employees, and contractors of the Company, as well as third parties who do business with the Company, and can only be waived by written approval of NESR's Board.

We draw strength from the diversity of our employees and our inclusive culture. We employ more than 6,000 people representing more than 60 nationalities and working in 16 countries across the Middle East, Asia, Africa, and the US. Ensuring gender diversity in our workplace is key to our business. In 2020, we introduced gender diversity targets to improve the representation of women in the Company.

NESR's Code of Conduct includes anti-harassment and non-discrimination policies to ensure that our workplace is safe, and our work environment is empowering to all. We are committed to providing equal opportunities and maintaining pay equity for all our employees. At our inception, NESR's Board was 25% female and sourced its directors from 4 different continents. Our Board today continues to be diverse by nationality, age, and experience.



NESR is an equal opportunity employer. We follow the best international practices and the employment laws of the countries in which we operate. We do not discriminate based on race, color, gender, age, sexual orientation, ethnicity, disability, religion, union membership, or marital status in hiring and employment practices such as promotions, rewards, and access to training. We are committed to conducting business in a manner that preserves and respects human dignity. It is our policy to provide equal employment opportunities and comply with all applicable immigration and employment laws (NESR Code of Conduct, p. 20-21).



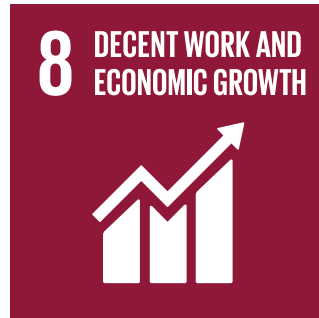
**APARNA PRABHAKAR**  
HR MANAGER

*"When it comes to empowering women and promoting diversity, equity, and inclusion (DEI), we at NESR practice what the industry preaches. With a workforce representing over 60 nationalities, we foster an inclusive culture that drives innovation in an environment where policies such as anti-harassment and non-discrimination ensure a safe and empowering atmosphere. Prioritizing gender diversity, NESR ensures equal opportunities and pay for all its employees. By aligning DEI initiatives with international best practices and local employment laws, NESR both enhances workplace culture whilst driving unwavering success."*





## Health & Safety Culture



Protecting the health and safety of our employees, contractors, and the communities in which we operate are major drivers for our business. Our goal is to deliver safe and compliant operations without harming individuals while making a positive impact on the community. Our commitment to safety runs to our contractors and society at large; not only do we want our operations to be safe, but we also want to influence others to follow safety procedures in their operations. Ultimately, we want to play a key role in promoting a culture of safety in our industry and beyond.



Through ongoing audits of our safety practices improvements continue to be implemented in collaboration with our customers and the cooperation of our employees. Similarly, we exhibited excellent progress in our journey toward injury-free operations through strong leadership in implementing a new management system and a focused, risk-based approach, including extensive training of our employees and contractors to recognize and manage health and safety risks. NESR continuously invests in new technologies, and in 2023 NESR rolled-out driving distraction monitors across the fleet in Oman. These devices have a direct impact on alerting the driver and journey management centers about fatigue symptoms, mobile phone use and other distractions. NESR intends to extend the roll out to other countries, depending on country specific regulatory/client approvals.



# Environmental Stewardship



We are dedicated to maintaining a sustainable and socially responsible company and strive to reduce our environmental footprint everywhere we operate. We strive to align our environmental initiatives with the United Nations Sustainable Development Goals and recognize that stewardship of the environment is necessary to ensure the long-term success and sustainability of our business.

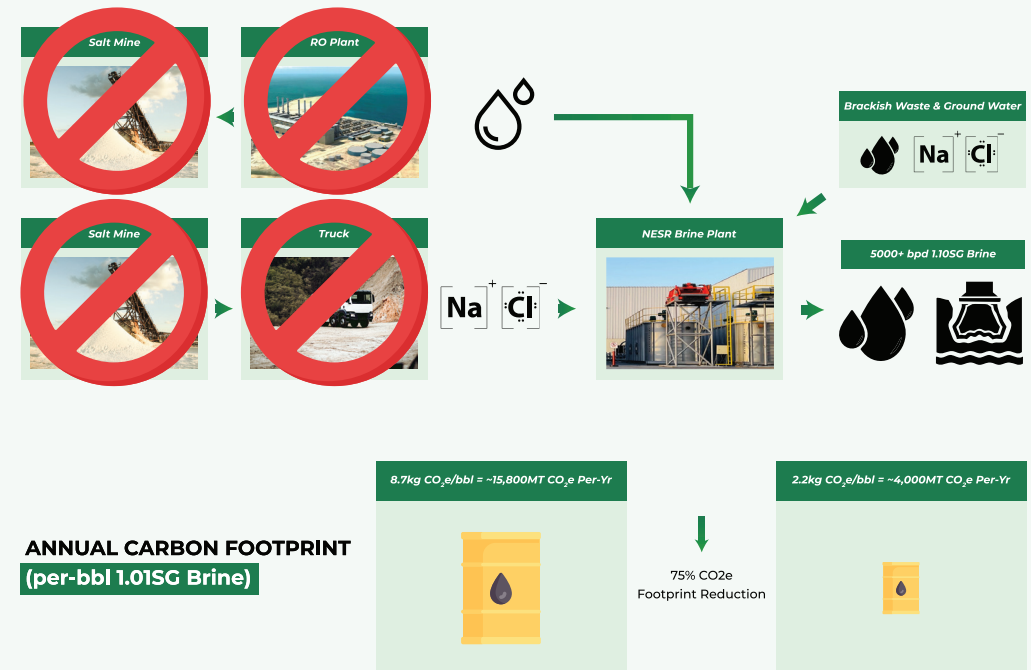
To understand our baseline and improve our environmental performance, we started tracking environmental data related to energy, water, consumption of natural resources, air emissions, and waste in 2020. That exercise helped us understand our footprint, and initiate plans to reduce our environmental impact in the year to come. We are conscious of the risks presented by climate change, evolving environmental regulations, and depleting natural resources and we are developing plans to improve our sustainability and preparedness for the transition to a low carbon economy. As we embark on our transformation, we aim to help our clients meet their environmental targets, including lower consumption of natural resources and decreased greenhouse gas (GHG) emissions.

We believe that deploying sustainable water strategies, implementing responsible energy consumption practices, and better waste management systems are essential to our ability to conduct our operations in the MENA region.

## Case Study

### North Rumaila, Iraq – ‘Carbon Light’ Brine Facility

In North Rumaila, Iraq, NESR deployed the HIROX/CIF technology from its NEDA (decarbonization) portfolio, to replace its conventional brine plant with a solution capable of generating the same brine by using nearby brackish groundwater, thereby saving precious freshwater for the community and lowering the carbon intensity of brine production by up to 75% by eliminating 3/4th of the trucking trips.



# HSE Compliance

To ensure the proper compliance with our HSE policy and objectives NESR conducted 3,849 HSE audits in 2023 which included:

- HSE management system verification
- HSE site compliance verification
- HSE plan verification
- Process HSE verification

We continuously invest in new technologies and develop partnerships to improve our operational performance and environmental compliance. We do this in consultation with our clients and communities to ensure our activities target the specific needs of our stakeholders. Improving our efficiency and environmental management systems helped us improve our performance and record no environmental violations across NESR's operations in 2023.

NESR's operations are conducted in compliance with industry-standard certification programs, including those for quality management (ISO 9001), environmental management (ISO 14001), and health and safety management (ISO 45001 or OHSAS 18001). The NESR integrated HSE management system is aligned with ISO 9001/14001/45001. Most of our operating countries are ISO 14001 certified by external certification bodies. Additionally, those entities frequently hold multiple other certifications, such as ISO 9001/45001, OHSAS 18001, and API Q1 and Q2.



*We communicate our HSE philosophy to all employees, customers, contractors, and third parties associated with our business, and each NESR organisation is required to provide evidence of conformance to the relevant system.*





## ESG Disclosures



NESR is a young company with ambitious growth plans and strong corporate citizenship ideals. Since its inception, corporate responsibility has been established as one of the core values of the Company. The Company's Board and executive management believe that ESG risk can impact the Company's ability to generate long-term sustainable value for shareholders. Therefore, in 2019, NESR created the ESG function reporting to the CEO and initiated work on the ESG strategy, which was approved by the Board that same year. Furthermore, internal ESG data tracking and reporting were initiated in late 2019, with 2020 being the first full year of ESG data collected by the Company.

As the standardization of ESG reporting continues to improve, NESR aims to modernize its ESG data capture and reporting to coalesce around the most commonly used reporting frameworks. At NESR, we believe that responsible management of ESG issues is part of our fiduciary duty to our shareholders, and that is why our ESG approach is focused on issues that are financially material to our business and could impact our ability to create long-term sustainable value.

In 2023, we updated our ESG reporting using available data, focusing specifically on sustainability issues that we identified as most likely to materially impact the financial condition of or operating performance of our Company. Looking ahead, NESR is evaluating multiple ESG software solutions to expand the scope of data capture and reporting, and expects to modernize its ESG processes beginning in 2025. With regards to non-quantifiable factors, we made an effort to disclose the existence of appropriate policies and safeguards that demonstrate our commitment to operational integrity, responsible corporate citizenship, and sustainability.

Starting in 2024, NESR has two concrete objectives related to its ESG reporting. First, we intend to align our future ESG reporting, as is practicable given our current data capture capabilities, with Sustainability Accounting Standards Board (SASB) *included in this report, p. 71*, Global Reporting Initiative (GRI) *included in this report, p. 72*, Taskforce on Climate-Related Financial Disclosures (TCFD) *included in this report, p. 74*, and the Carbon Disclosure Project (CDP). Second, we intend to enhance our digital ESG data capture and reporting platform, to better align with the above standards and to position the Company for expanded third party assurances of future data and disclosures.

### ENVIRONMENTAL, SOCIAL, AND GOVERNANCE COMMUNICATION

For all ESG inquiries, please contact:

[esg@nesr.com](mailto:esg@nesr.com)





RESPONSIBILITY

# TO EARTH

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## NESR Environmental & Decarbonization Applications (NEDA) Segment

The NEDA segment is a growing portfolio of technologies across what the O&G industry would consider “waste streams”, namely 1) water & mineral recovery, 2) flare abatement & emissions detection, 3) heat capture, and 4) carbon capture utilization and storage (CCUS)/new energies.

The thesis of the segment is simple – Energy transition is a crucial, yet long-term global pursuit, and action is needed in the near-term to decarbonize the energy value chain without sacrificing the reliability, cost, and availability of traditional energy sources.

NESR’s strategy in building its NEDA toolbox is essentially the same open-technology platform within its core drilling & production services businesses, with the addition of technologies that aren’t necessarily native to energy services, but nonetheless adapted to meet MENA upstream challenges.

## Key NEDA highlights from 2023 include:

**Water** – DyVaR ZLD 2<sup>nd</sup> successful pilot in Saudi Arabia (following the award-winning 2022 pilot deployment)



**Emissions** – First at-scale deployment of Qube, AI-based continuous emissions monitoring (CEM) platform, for a multinational oil company in Oman



**CCUS** – Flagship CCUS injection pilot in Indonesia, to de-risk the reservoir leveraging a NESR CO<sub>2</sub> ‘Virtual Pipeline’, modified cryogenic pumping equipment, and subsurface monitoring capabilities.





# Climate Change

We recognize the effects of climate change on our planet, and the risk to our business, and we aim our climate change approach with the United Nations Sustainable Development Goals. We remain focused on reducing our environmental footprint, what we consider “Internal Environmental Stewardship”, while continuing to help our customers provide the world access to affordable, efficient, and reliable energy. In terms of “External Environmental Stewardship”, our aforementioned NEDA segment and technology portfolio represent a substantial market opportunity beyond our core service lines. When assessing our risk exposure, we consider risks associated with climate change and their impact on our business in the near and long-term.

We believe that companies that are unprepared for a carbon-constrained world may face substantial financial and regulatory risks in the future. We intend to be part of the solution and to benefit from the transition to a low carbon economy by adapting our operations and services to climate change. We continue to invest time and resources into establishing a more comprehensive accounting of reported Scope 1 and Scope 2 emissions, and aim by 2025 to begin reporting Scope 3 emissions with the adoption of enhanced data capture software capabilities.

Ultimately, we aim to mitigate the impacts & risks of climate change to our business by evolving with our industry, at the pace with which the industry adopts new technologies for decarbonization and pursues novel, carbon-neutral forms of energy. We do not consider hydrocarbons and energy transition to be mutually exclusive, and in fact believe that the O&G industry must play a leading role in driving energy transition forward.



**BLAKE GENDRON**

VP OF INVESTOR RELATIONS  
& NEDA SEGMENT

*“Energy decarbonization is both a risk and a substantial opportunity for oilfield service providers, and our goal with NEDA is to be nimble in adapting novel technologies within areas that we see as ‘low hanging fruit’ for upstream decarbonization. These include circular water, flare gas, and heat solutions. Increasingly, investors ask how we are mitigating energy transition risk, and rather than shying away from the topic, we are fully embracing the crucial role that our sector must play in driving decarbonization forward.”*



## Air Emissions

NESR is currently reviewing various, science-based market options in mapping out a plan to achieve net-zero carbon emissions from our operations by a set target date. We are also developing new solutions to enhance the transparency of our GHG data capture and reporting. Progress on these efforts will be updated in our future annual ESG reports.

In the meantime, we help our customers reduce air emissions through the provision of clean energy services and technologies. One notable solution in the area of air emissions is our investment in Qube Technologies, a North America-based provider of AI-powered CEM.

The solution consists of 1) fixed, metal-oxide detector devices that are capable of measuring all leading GHG constituents in the upstream sector, including CH<sub>4</sub> and CO<sub>2</sub>, in addition to hazardous gasses such as H<sub>2</sub>S and other combustion and/or air-quality related gases, 2) a cloud-based AI algorithm capable of providing full (LDAR) diagnostics, and 3) a user-friendly dashboard that helps NESR and our clients visualize their assets and the emission leaks that are often difficult to detect using conventional emissions monitoring technologies (e.g. satellites).

NESR strives to mitigate environmental impacts associated with Greenhouse Gas emissions by managing the carbon emissions of our operations. All NESR locations with the potential for air emissions are establishing a documented air emission plan to minimize air emissions.

Metric	Units	2021	2022	2023
CO <sub>2</sub> e - Scope 1	Metric tons	149,035	143,484	180,540
CO <sub>2</sub> e - Scope 2	Metric tons	2,253	2,378	2,328
Intensity*	Scope 1 + 2 per \$1mm Revenue	171.1	160.6	159.0



# Energy Management

NESR is a fundamental part of an upstream energy industry that currently provides access to affordable, reliable, often sustainable, and modern energy for all, and is an active innovator within our sector to push urgent action to combat climate change and its impacts.

We continually improve our practices and invest in facility upgrades by using energy-efficient equipment, implementing current best practices, and increasing our use of alternative and clean energy. The focus of our short-term strategy is to raise the internal awareness of employees to conserve energy and resources through various monthly campaigns, training, and monthly performance reports. Implementing responsible energy consumption practices across the business was one of our environmental objectives in 2020. Since the establishment of our ESG practice, we've tracked our total energy consumption from different sources to improve energy efficiency and increase the percentage of energy we consume from renewable sources.

To this end, we installed building management systems to monitor energy consumption at NESR's Oilfield Research and Innovation Center (NORI) in Dhahran Techno Valley and conducted energy modeling to reduce energy consumption.

NORI has been designed to comply with LEED certification requirements and is projected to consume 20% less energy than comparable buildings in Saudi Arabia. We estimate that approximately up to 20% of the energy consumed at NORI is generated from renewable energy sources.

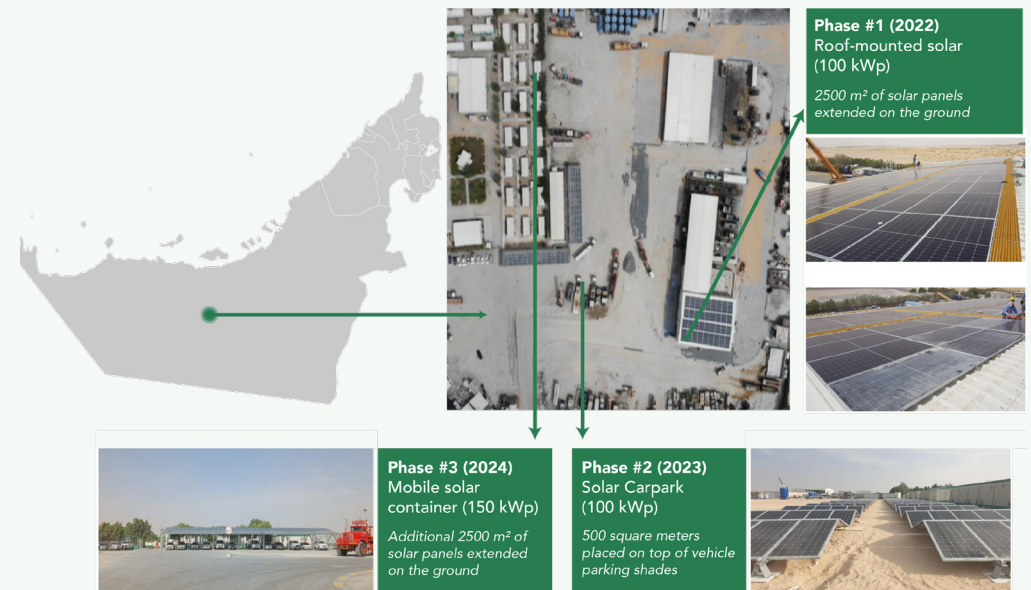
Metric	Units	2021	2022	2023
Electricity Use	MWh	5,467	5,711	5,649

## Case Study

### Habshan Base Solar Electrification

*In UAE, NESR deployed high efficiency solar electrification in its base in Habshan.*

*As a result, the Company has reduced its monthly diesel consumption by up to 29%, offset over 950 tons CO<sub>2</sub>e, and reduced its annual energy cost by ~12%*





# Water Management

Water is one of the world's most valuable resources and we operate in water scarce areas in the MENA region. We apply best practices and technological solutions to water management challenges to reduce the impact of our operations on water resources everywhere we operate.

NESR has partnered with multiple water treatment companies to treat produced water, sea water or well water to a specific oilfield application water quality ranging from hydraulic fracturing, workover and drilling applications. In addition, NESR water treatment technology basket is capable of supporting the midstream and downstream water treatment requirements, e.g., water treatment of desalter unit discharge. Together, NESR and their water treatment technology partners provide their customers with specific and differentiated technical water treatment solutions, enabling them to achieve their production goals in an environmentally responsible manner.

Our NEDA segment, which was announced as the 'ESG Impact segment' in January 2021, is envisaged to host a portfolio of product lines and services to enhance water management and conservation. The Water Conservation and Management product line will focus on delivering fresh water from produced water that is today either wasted or injected for reservoir pressure management or into disposal wells. Another application will address the sulfate removal from well water or seawater, eliminating the need for higher quality aquifer water for oilfield applications.

Metric	Units	2021	2022	2023
Water Used	M3	175,332	225,887	241,695
Volume Intensity	M3/\$1mm Rev	200.0	248.3	210.9

Metric	Units	2023
Water and sewage Recycled	M3	100,459

## Case Study

### GCC Circular Water DyVaR Pilot

*In the Gulf Cooperation Council (GCC) with one NESR's core customers, NESR deployed its Dynamic Vapor Recovery, low-heat thermal desalination technology, to successfully deliver a Zero Liquid Discharge (ZLD) pilot in which hazardous produced water was recycled as freshwater and testing in well operations.*

*Additionally, concentrated reject brine from the pilot was studied for potential mineral recovery, to further eliminate waste and maximize extractable products from the DyVaR concept.*

#### DyVaR Containerized Pilot Unit



#### GCC Pilot Objectives & Results

**Pilot Objectives**

- Effective pre-treatment (remove OiW & H2S)
- Generate freshwater distillate (TDS <500ppm)
- Maximize recovery rate & power intensity
- Achieve continuous operations
- Study effective antiscalants
- Recover valuable minerals
- Design commercial plant using pilot data

**Pilot Results**

- Full removal of OiW/H2S with zero safety incidents
- High-quality distillate (TDS <200ppm)
- Best-in-class 70%+ recovery at ~10kWh/bbl intensity
- Achieved 100% uptime w/antiscalant
- Generated high purity, synthetic minerals – including Lithium brine

#### GCC Pilot Objectives & Results



Feed Water (GCC WT Pad)

Distillate (TDS<200ppm)

Reject Brine & Saved Sample for Mineral Recovery Testing (notice salt formation at the bottom)



## Waste Management

We are committed to reducing the environmental impact of our activities across the entire value chain. We continuously strive to improve our environmental performance in multiple ways, including responsible waste management.

To manage waste materials more efficiently, we reuse when possible, recycle both in our operations and for our customers, and use innovative technologies to find new recovery methods. We continue to seek opportunities to reduce both our direct consumption of resources and the waste we generate. Additionally, NESR audits waste service providers to ensure appropriate waste treatment and disposal practices are followed.

In 2019, we started tracking the total volume of hazardous and non-hazardous waste produced by our operations – a first step toward understanding the volume and nature of the waste we generate. To raise employee awareness about the importance of reducing consumption, reusing what can be reused, and ultimately reducing and recycling waste, we banned all plastic water bottles from our offices in 2019 and provided reusable, environmentally friendly bottles and cups.

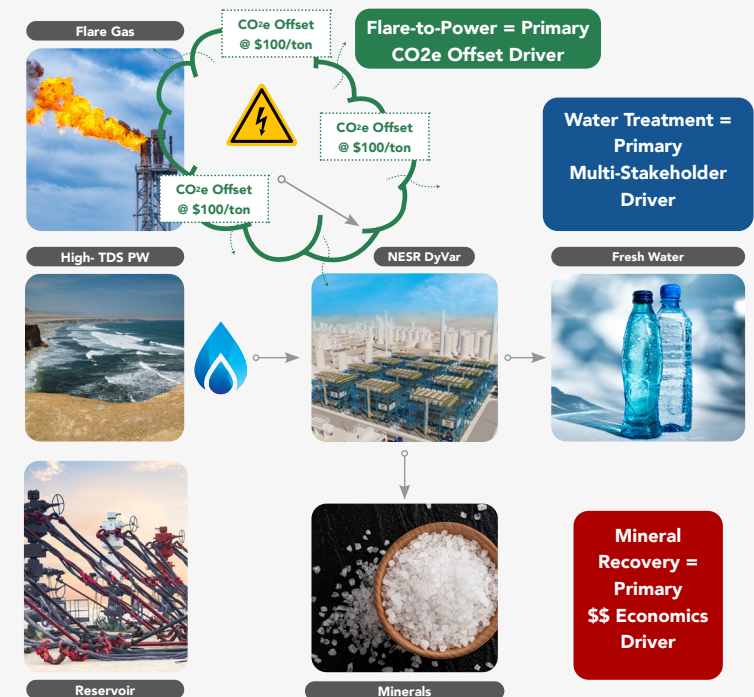
In 2020, we started tracking the volume of waste we recycle, and where our waste ultimately ends up (incinerated, sent to landfills, sold as scrap, etc.) This will allow us to understand the full impact of the waste we generate on different ecosystems. Ultimately, we believe that the information we collected in 2023 will facilitate better waste management in the future.

Metric	Units	2023 (Estimated)
Hazardous waste generated	Metric tons	2,417
Non-hazardous waste generated	Metric tons	29,120
Waste recycled	Metric tons	12,123
Waste incinerated	Metric tons	7,202
Waste to landfill	Metric tons	11,214

**Flare-to-Forest™ Multi-Circularity Concept.** As part of our NEDA segment, we've built a portfolio of technologies encompassing circular water, waste gas, and heat.

When combined, these technologies form our integrated Flare-to-Forest™ concept, which aims to leverage flare gas capture for liquids & power generation, which drives our key water treatment technologies and the generation of freshwater that can potentially be reused for agriculture. We are evaluating the feasibility of this concept with several key clients, to minimize upstream waste and maximize value.

### (NESR Flare-to-Forest™ Integrated NEDA Concept)





# Optimizing Operations

Operational optimization drives both service efficiency/quality, and also helps reduce the carbon intensity and environmental impact of our operations. hydraulic fracturing, and some of our large, integrated production services projects therein, are foremost drivers of our environmental footprint.

By increasing our efficiency and optimizing job design we are able to deliver more efficiently and effectively.



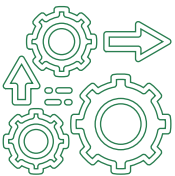
- **Auto Fuel System** This system uses hydrostatic to feed fuel to all the equipment on location, which prevents the need for manually dragging a fuel hose and potentially spilling fuel onto the ground. This enclosed system has No-Spill connections that prevent residual fuel spill.
- **BestContain System** This system allows us to spread a polyethylene rubber under tanks and a high tensile strength plastic around the tanks in order to contain up to 150% of the fluids stored within it. Because we do not use a JCB (digger) to surround acid tanks, we do not need to dig, and we are able to prevent acid from penetrating into the ground.
- **Bulk Transportation of Chemicals** All our chemicals are transported and stored on location within bulk transports. This reduces the environmental impact of multiple tote tanks and residual chemicals in small containers. With this project we have reduced exposure of our personnel to chemicals and reduced unintended spills that are environmentally harmful.
- **Sand Boxes** we transport our sand through sand boxes that reduce the waiting and demerage time to offload sand. This results in reduced emissions and quicker delivery of sand to location. Eliminating air slides and utilizing sand boxes has made our operations safer and automated.
- **Dissolvable plugs** with the successful implementation of our NORI dissolvable plugs we have reduced coiled tubing (CT) operating time of milling plugs by 30% and water consumption by 28%. Previously used composite plugs required a mill and motor to drill through them while now by proper design and engineered selection of material we are able to drift through plugs that have vanished and dissolved.





- **Dune Sand:** Instead of mining sand from sand mines that are high in emissions, with the help of our clients, NESR has been able to pump complete frac jobs with dune sand from the dunes of MENA. This was always assumed to be impossible due to acid solubility and mesh constraints but with our engineered technology partners that we introduced through our open platform we have been able to complete many wells with this technology.

- **Monobore Missile and Zipper Manifold:** NESR is the first company in MENA to operate a monobore missile eliminating the previously used traditional missiles. Traditional missiles were made for conventional operations and had limitations in rate and abilities. With the introduction of the monobore missile NESR has constructed the full and proper tools needed for unconventional operations. These monobore missiles allowed for faster pumping rates and improved efficiencies in rig up and rig down by 25%.



## Environmental Releases

Each NESR site is equipped with appropriate emergency control and spill prevention plans.

Metric	Units	2023
Spills > 1 bbl	Barrels	0
Volume of spills	Liters	156

As part of NESR's process safety procedures, barriers are crucial to reducing the risk of uncontrolled release of formation fluids. NESR has a portfolio of cementing technologies and logging tools for ensuring and evaluating well integrity. Zonal isolation is created and maintained in the wellbore through the cementing process. Cement supports and protects well casings and helps prevent fluids in one zone from mixing with fluids in another zone. The cement systems help establish zonal isolation work in a variety of reservoir conditions and remain in place throughout the life of the well.

To prevent unplanned discharges, NESR tests the integrity of service equipment regularly. Regularly scheduled inspections, evaluations, and testing of bulk storage containers by qualified personnel are critical parts of discharge prevention. Our inspection and testing programs involve an external visual inspection along with extensive testing and examination to evaluate container integrity. These inspections are site-specific and they meet or exceed industry standards.

NESR has deployed an automatic fuel system in its fracturing operations which consists of a closed system that supplies diesel to the fracturing fleet. This system can fuel all the equipment in a large fleet simultaneously, eliminating spills, hazards for the fracturing crew, and overfill risk. In addition to the environmental impact, the automatic fuel system improves the efficiency of the fracturing operation and reduces nonproductive time. NESR also establishes secondary containment as part of protection measures for primary storage.



## Chemical Transparency

During the design and development phase of fracturing, all chemical additives are selected based on minimizing environmental impact and regulatory acceptance in the operating companies and countries where we operate. These chemical formulations are also designed to be safe for the individuals who are handling them, from the manufacturing plant to the final oilfield application.

Metric	Units	2021	2022	2023
Volume of Hydraulic Fracturing Fluid Used	M3	1,525,003	1,446,146	2,213,576
Frac Additives Percentage (%)	Percentage	0,35	0,35	0,28

In UAE, we are currently evaluating the use of implementing NEDA water technologies, to potentially recycle flowback water and treat the water to quality levels at which frac chemistry additives could be minimized to achieve optimal performance.

Not only would this technical breakthrough vastly improve the water stewardship profile of the operation, but would also lower the cost and environmental risk associated with higher chemical demand for the stimulation fluid.



# Biodiversity

NESR strives to identify, manage, and protect biodiversity (including diversity of ecosystems) and restore the lands impacted by our activities.

Under our practices and procedures, we study the ecosystems before conducting operations to minimize the significant impact on lands, water, and biodiversity; monitor the effectiveness of current operations; and facilitate the restoration of land areas impacted by NESR's activities.

## ***We are committed to protecting biodiversity through:***

- Locating, designing, and managing our facilities and operations to minimize adverse impact on flora and fauna, ecosystems, and conservation areas;
- Minimizing impact on biodiversity by conducting risk assessments upon acquiring new properties;
- Avoiding environmentally sensitive areas and reducing the need for land clearance as far as reasonably practical (especially around areas bordering deserts);
- Minimizing environmental impact and disturbance for all operations;
- Restoring land impacted by NESR activities where possible; and
- Increasing awareness of the importance of biodiversity and promoting best practices of protecting and conserving biodiversity among our employees and contractors.





## Environmental Compliance

We continuously invest in new technologies and develop partnerships to improve our operational performance and environmental compliance. We do this in consultation with our clients and communities to ensure our activities target the specific needs of our stakeholders. Improving our efficiency and environmental management systems helped us improve our performance and record no environmental violations across NESR's operations in 2023.



NESR's operations are conducted in compliance with industry standard certification programs, including those for quality management (ISO 9001), environmental management (ISO 14001), and health and safety management (ISO 45001 or OHSAS 18001).

The NESR integrated HSE management system is aligned with ISO 9001/14001/45001. Most of our operating countries are ISO 14001 certified by external certification bodies. In addition, those entities frequently hold multiple other certifications, such as ISO 9001/45001, OHSAS 18001, and API Q1 and Q2.

We communicate our HSE philosophy to all employees, customers, contractors, and third parties associated with our business, and each NESR organisation is required to provide evidence of conformance to the relevant system.





RESPONSIBILITY

# TO PEOPLE

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## Human Capital Development

We believe that treating employees fairly, safeguarding their health, safety, and general wellbeing, and investing in their training and skills development can create a positive and productive work environment.

We also strive to align our employees' sense of personal growth and satisfaction with the success of the Company. We share our Company's success with our employees through potential employee stock ownership to empower and financially benefit our employees.



## Employee Relations

Our Code of Conduct ensures understanding, mutual respect, and cooperation form the basis of relationships within our Company. We maintain gender pay parity and reward top performers who meet their functional and shared sustainability targets. We promote diversity in all its forms and inclusion in our workplace, and we maintain a corporate culture that rewards based on merit and is open to innovative ideas and diverse perspectives. We foster self-actualization and growth, which allows us to maintain a low level of turnover and attract top talent in the market.



We believe that when we treat our employees with dignity and fairness, retention of high-performing employees will ensure more durable NESR success, and augment succession planning and the ability to confer skills and knowledge over the longer term. Investments in human capital and fostering an empowering work environment lead to higher productivity and lower turnover. We ensure that all our employees work in a safe environment where they feel valued and protected.

## Union Relations

We are committed to conducting business with the highest level of integrity and abiding by all relevant policies and the laws and regulations governing our operations worldwide. Our commitment includes compliance with international labor and workplace laws and standards concerning freedom of association.

Our human rights and our labor policies aim to preserve a healthy balance of power between corporate management and employees and maintain fair working conditions. Our employees are free to associate with, form, or join unions to collectively bargain for the terms of their employment as permitted by the governing laws and regulations of the jurisdictions in which they operate. We support respectful and constructive relations between our Company and labor unions, to protect the rights of all constituents.





## Supply Chain Labor Conditions

To ensure that our suppliers' labor and employee relations comport with NESR standards, we conduct both onboarding and periodic audits of suppliers. In fact, target increases in the number of "qualified" suppliers that screen positively for NESR Code of Conduct, Know-Your-Supplier (KYS) audits, and certain NESR sustainability questionnaires, is part of NESR's Sustainability Linked Loan annual evaluation.



Over **2,300** suppliers have been screened for environmental/human rights/social impact **performance** in since 2020

## Equal Opportunities

NESR is committed to creating a collaborative, equitable, diverse, and inclusive work environment and is proud to be an equal-opportunity employer. All qualified applicants receive consideration for employment without regard to race, color, religion, sex, disability, marital status, military or veteran status, citizenship, or any other characteristic or class protected by the laws or regulations in the locations where we operate.



Applicants and employees requiring assistance and/or reasonable accommodation in the application or recruiting process due to a disability, receive consideration and support. We strive to attract and retain exceptional talent through our commitment to fair hiring, training, development, and career advancement practices.

## Diversity, Equity, and Inclusion

Diversity and inclusion have been a part of NESR's core values since the Company was created. We operate in more than **15 countries** and employ more than **6,000 men and women** comprising more than **60 different nationalities**. We operate across cultures, language barriers, and different time zones and differences in race, gender, age, nationality, language, ability, personality, and religious beliefs. We are united in our shared values, common objectives, and the conviction that our diversity fosters creativity, innovation, tolerance, and respect in our workplace. Our diversity is a reflection of the diversity of our clients, suppliers, and the communities in which we live and work.

We know that diversity does not automatically lead to inclusion. We embrace uniqueness and ensure that differences are appreciated, celebrated, and respected. We believe that everyone has the right to be heard and treated with fairness, dignity, and respect. We are dedicated to fostering an engaging, empowering, safe, and responsible corporate culture, not only because it is the right thing to do, but because the diversity of our workforce and the inclusiveness of our culture strengthen our long-term competitiveness and sustainability.



## Gender Diversity

We operate in a space where women's entry into the workforce is a relatively recent phenomenon. We recognize the fact that women face many barriers to entry and advancement, and our goal is to safeguard gender equity in our workplace.

We are committed to improving gender diversity by increasing the percentage of women in our workforce, providing career development opportunities to ensure women's progression to leadership and senior management roles, identifying and eliminating gender pay gaps, and accommodating flexible work schedules to improve work-life balance.

- In **2023**, the total population of women in NESR increased by **25.7%**
- **Saudi Arabia's** total number of female employees increased by **8.3%**
- **Kuwait's** total number of female employees increased by **16.6%**
- **Abu Dhabi's** total number of female employees increased by **50%**
- **Oman's** total number of female employees increased by **14.6%**





Employee resource groups are powerful tools to influence, build awareness, and bring about positive change in a corporation. Employees also serve to build strong and diverse work environments.

We are committed to the **equal participation of both men and women in NESR success.**



## WIN Steering Committee



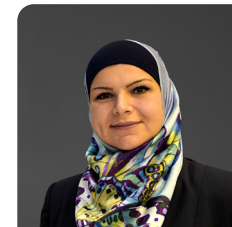
**CHAHIRA BARNAT**  
TREASURY & INTERNAL  
AUDIT DIRECTOR



**ADILA AL ISMAILI**  
FINANCE CONTROLLER



**APARNA PRABHAKAR**  
HR MANAGER, DUBAI



**GHADA ALBAJEGNI**  
HR LEADER, LIBYA



**HALA ALABBASSI**  
EVENTS & MARCOM  
SUPERVISOR



**NATASSHA CASSANDRA**  
ENGINEER, QATAR

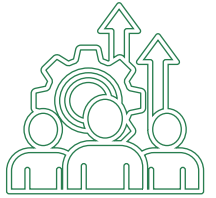
## Women In NESR (WIN)

In 2020, we launched Women in NESR (WIN) to fast-track the accomplishment of our gender diversity goals. WIN is an employee-driven affinity group focused on supporting the company in meeting its diversity targets, raising awareness of gender diversity issues, and enhancing employee engagement. This year, certain females from the management team participated in a leadership development course designed to support their career advancement into leadership roles.





# Training and Development



## 2023 Training in Numbers



We invest in training and developing our employees because we believe in building the capacity and skills of our workforce, especially since the quality of our services depend on the quality of our people and their expertise.

As part of our ongoing commitment to the continuing development of our workforce, we make learning opportunities available to our employees around the world through classroom instruction, e-learning, live simulations at our learning centers, on-the-job training, informative videos, group discussions and activities and other means.

**5,032** (98.4 %)  
employees completed

**10,306** hours of  
Code of Conduct training

**2,581** Employees received  
**2,085** hours of cybersecurity  
trainings

**7** Anti-bribery courses delivered  
to employees

**4,600** hours  
spent on training  
**630** local suppliers

**183,812** hours of HSE training  
delivered

**1680** Hours of technical training delivered to **512** employees



## Employee Health and Safety

We recognize that an essential factor in our business success is the emphasis we place on health and safety, which is a fundamental element in all our business activities. At NESR, operational excellence begins with safety leadership across all levels of the organisation, and all employees are fully empowered and responsible to stop any work activity if they observe unsafe acts or conditions.

Our aim is for NESR to become the region's leader in health and safety.

NESR's leaders are responsible and accountable for driving a strong health and safety culture by ensuring effective implementation of our standards.

Our HSE policy applies to all NESR employees and contractors. We update the policy regularly to ensure it continues to reflect our strong commitment and focus on HSE and complies with the most stringent of the legal, international, national, customer, and other applicable safety and ecological standards and requirements wherever we do business.



## Our Commitment

**We demonstrate our health and safety commitment by:**

- Setting clear objectives and measurable, progressive targets as part of our business performance, and monitoring performance for continuous improvements;
- Identifying, managing, and mitigating environmental risks, including the risks associated with climate change;
- Driving health and safety behaviors with a "no defects" mindset, and rewarding outstanding performance and initiatives;
- Eliminating health and safety events and accidents with a strong reporting culture and effective investigation of near-misses;
- Training our workforce on our health and safety standards to increase awareness of risks and prevention methods;
- Effectively communicating our policies, standards, programs, and performance to our stakeholders;
- Protecting the health, safety, and security of our workforce at all times;
- Meeting international, national, and customer standards and requirements;
- Protecting the environment through responsible planning, and providing solutions aimed at decreasing the environmental impact of our business, including reducing our carbon footprint to limit the effects of climate change;
- Ensuring health and safety considerations are factored into the design, engineering, and deployment of our services and products; and
- Maintaining an updated response plan to minimize the effect of any emergency, business disruption, or crisis.



# Safety Performance



NESR's commitment to HSE is contained within our Code of Conduct, which also details the Company's expectations and regulatory compliance requirements for all NESR employees, business partners, suppliers, and contractors. We comply with the most stringent of the legal, international, national, customer, and other applicable safety standards and requirements wherever we do business.

HSE is a fundamental element in all our business activities and an integral part of service delivery workflows from all levels of employees and contractors. Our management communicates our safety philosophy to all employees, customers, contractors, and third parties associated with our business by walking through the key rules and providing the relevant materials. We do not engage any employee or contractor without evidence of safety program compliance, and we conduct safety leadership courses across our operations for line managers and field supervisors.

## safety Performance Data

NESR's commitment to HSE is contained within our Code, which also details the Company's expectations and regulatory compliance requirements for all NESR employees, business partners, suppliers, and contractors.

We comply with the most stringent of the legal, international, national, customer, and other applicable safety standards and requirements wherever we do business.

All our employees and contractors are not only encouraged but expected, to intervene or stop work without fear of reprisal if they observe any unsafe action or condition at the worksite or have concerns regarding the QHSE controls in place.

Metric	Units	2021	2022	2023
Total Recordable Injury Frequency Rate (TRIR)	Per million manhours	1.54	1.30	1.11
Total Lost Time Injury Frequency Rate (LTIFR)	Per million manhours	0.49	0.47	0.39
Fatalities	Number			
- Employees		0	0	1
- Contractors		0	1	0
- Company Total		0	1	1
Automotive Accident Rate (AAR)	Per million kilometers	0.39	0.32	0.23







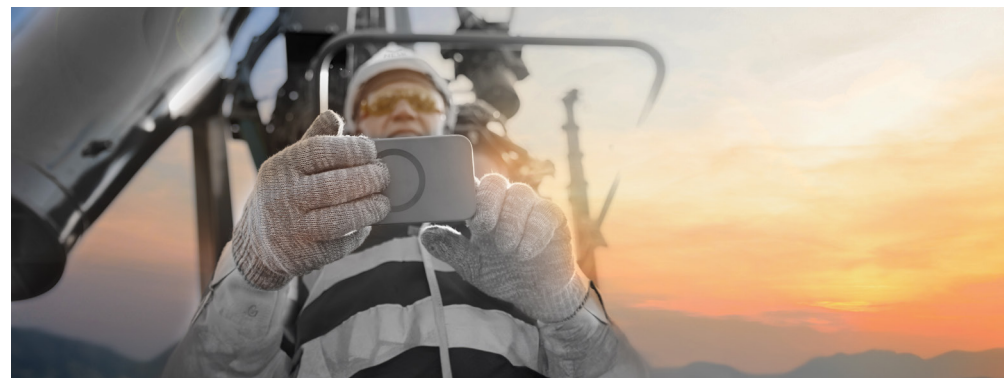
## Safety Compliance

Our operations are conducted under industry-standard certification programs, including those for quality management (ISO 9001), environmental management (ISO 14001), and health and safety management (ISO 45001 or OHSAS 18001).

NESR's integrated QHSE management system is aligned with ISO 9001/14001/45001. Operations in most of the countries where we do business are ISO 45001 or OSHAS 18001 certified by external certification bodies.

## Driving Safety

We promote a safe work environment. Since driving-related incidents are one of the key causes of injuries and fatalities in our industry, all those whose jobs involve driving are required to comply with safe-driving requirements. In addition, our employees are expected to follow all Company driving safety regulations while driving their own vehicles.

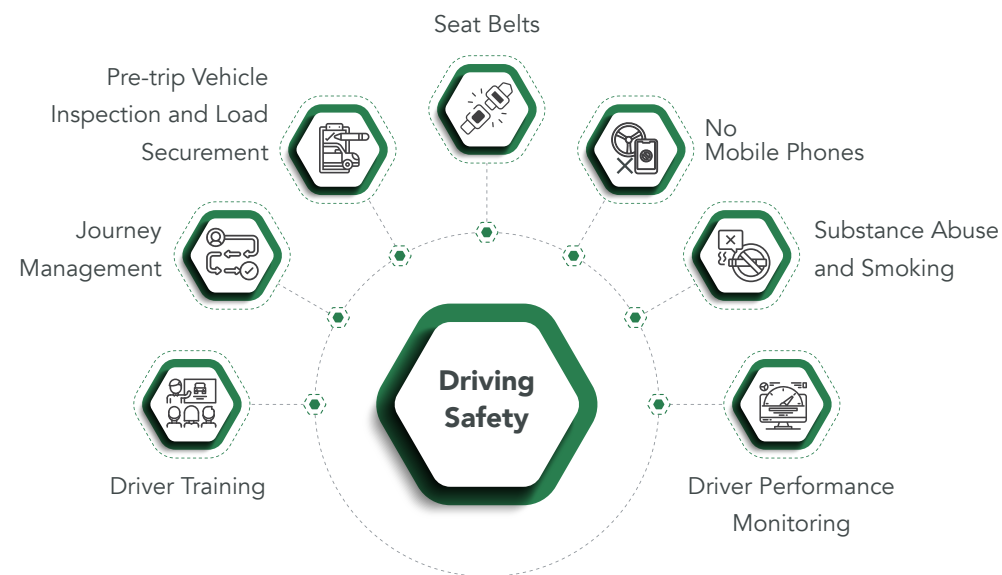


We vigorously promote safe driving behaviors, strictly monitor and track compliance with safe driving guidelines in real time through our monitoring centers, and offer our drivers support and training to reduce risk of accidents and address non-conformance with our journey management protocols. We analyze our drivers and effectively engage with them to improve their driving performance and highlight areas of improvement. Our aim is to identify areas of risk to address them swiftly and effectively.

In 2023, we continued to focus on improving our driving safety performance to reduce road accidents and improve the safety of our operations in compliance with our driving policy ([the Code of Conduct, p. 9](#)).



- **Driver Training:** NESR requires that all drivers maintain a valid driver's license according to local regulations. Transportation rental vehicle drivers must attend driving training and pass a practical evaluation prior to driving for the Company. We expect and encourage all passengers of vehicles assigned to NESR operations as part of their job duties to ensure that Company drivers abide by our safety principles. Any violation or unsafe behavior is sufficient cause to stop the trip and report to management.
- **Journey Management:** To minimize driving risks, each NESR business unit has a Journey Management Plan that has management's approval. The plan includes specifics on fatigue management, night driving, speed limits, traffic laws, and customers' procedures. We prohibit the use of personal vehicles for Company operational field trips.
- **Pre-trip Vehicle Inspection and Load Securement:** We hold all NESR drivers responsible for their pre-trip vehicle inspections. They are obligated to secure their load in a safe and lawful manner according to our manuals and procedures.
- **Seat Belts:** All occupants of NESR cars, including the driver of any vehicle, are obligated wear a seat belt at all times while driving.
- **Mobile Phones:** The use of mobile phones and hands-free devices is prohibited while the vehicle is in motion for any NESR related business purpose.
- **Substance Abuse and Smoking:** NESR drivers are prohibited from driving under the influence of alcohol, drugs or any other prescribed medications that could impair their performance. Smoking is not allowed in any NESR vehicle.
- **Driver Performance Monitoring:** Each NESR vehicle and established contractor or long-term rental vehicle has an in-vehicle monitoring system installed to collect information and use it to proactively manage and improve driving safety.



Metric	Units	2021	2022	2023
Automotive Accident Rate (AAR)	Per million kilometers	0.39	0.32	0.23

In 2023, 14% of the lost time injury (LTI's) were associated with land transport.

We conduct commentary drives on an annual basis to improve our drivers' performance. Best drivers are recognized and rewarded monthly to encourage safe driving and better performance.

During 2023 the Company started deploying AI powered driving solutions in Oman to further enhance and improve our driving performance. These driver distraction monitors provide immediate awareness to drivers.



## Operational Integrity

One of NESR's business fundamentals is to deliver products and services that meet or exceed our customers' expectations and objectives while complying with legal, international, national, and customer standards and requirements. We promote a model of operational integrity where employees and contractors act honorably and responsibly, and we leverage that integrity to produce the highest quality of service for our customers by focusing on delivering best-in-class operational processes.

A key measure used by the Company to track the service quality performance is the non-productive time rate. Any reduction in the nonproductive time reflects operations being conducted more efficiently, which may ultimately result in reduced emissions by both NESR and our clients.

Metric	Units	2021	2022	2023
Non-productive Time Rate (NPTR)	Percentage	1.63	2.76	1.86



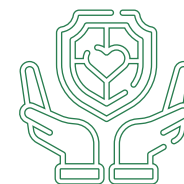
We also use checklists to further improve operational reliability and efficiency. Checklists are visual or oral aids that help crew members overcome the limitations of short-term memory to perform action or verification items without referencing a manual. These checklists are kept as short as possible to minimize diversion of the crew's attention while performing their responsibilities.

NESR's operations are conducted under industry-standard certification programs, and operations in most of the countries where we do business are ISO 9001/API Q1 or Q2 certified by external certification bodies.

Management communicates our quality philosophy to employees, business partners, suppliers, and contractors by providing the relevant rules and material, and each NESR organisation must provide positive evidence of compliance with the quality system. Regular audits and service quality meetings are conducted to review adherence to the quality processes.

## Quality, Health, Safety, and Environment Results

### Total Numbers for NESR globally in 2023



Man hours	LTI	TRC	KM Driven	Motor Vehicle Accident (MVA)	Operating Hours	NPT	LTIFR/ Per million Manhours	TRIR/Per million manhours	AAR/ per million KM	NPTR
18,003,119	7	20	76,964,029	18	3,720,372	6923	0.39	1.11	0.23	1.86





# Employee Wellbeing

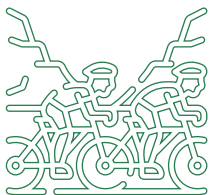
At NESR we believe that employee wellbeing should always be at the forefront of our business. We recognize that balanced living relies on total wellbeing, including employees' mental health.

As part of the wellness package offered through our health insurance, in 2023 we offered 24-hour per day access to an employee wellness support program which included free, confidential counseling, resources, and information to help employees deal with unhealthy amounts of stress, distraction, or worry.

In addition to stress management training, NESR promotes employees' and contractors' wellbeing by providing various HSE training (e.g., hygiene, ergonomics) health campaigns, and awareness sessions to promote healthy lifestyles for both the employees and their families and to reduce illnesses in the workplace.

***HSE training hours delivered to employees in 2021, 2022 and 2023 are specified below:***

Metric	Units	2021	2022	2023
HSE Training	Hours	109,772	141,034	183,812



# Supply Chain Management

**NESR** is committed to sustainable growth hand in hand with its business partners. The organisation envisaged on a transformative supply chain journey that aligns operational efficiency with sustainable targets. The digitalization of our supply chain enabled the organization to achieve enhanced governance and collaboration with our suppliers. While challenges exist, proactive strategies and investments in digital solutions spurred the organisation to overcome barriers and unlock long-term value. As ESG considerations become central to business success, NESR is leveraging digitalization not just as a tool for growth but as a catalyst for sustainable and ethical operations. Expansion and extension of our enterprise resource planning (ERP) system to collaborate digitally with our suppliers is paving the path for value-based ecosystem.

## Supplier Management and Adherence to ESG Standards

In alignment with our ESG objectives, NESR maintains stringent supplier management practices to ensure compliance with ethical, legal, and operational standards across all partnerships. The following highlights our suppliers' requirements for human rights, compliance and HSE, as outlined in our agreements:

### 1. Human Rights and Working Conditions

NESR requires all suppliers to comply with applicable human rights and labor laws, regulations, and directives, ensuring fair labor practices and non-discrimination in their operations. Suppliers are expected to adopt policies aligned with the UN Guiding Principles on Business and Human Rights, including:

- Identifying, preventing, and mitigating adverse human rights impacts.
- Addressing and remediating any harm caused, including compensation and policy revisions to prevent recurrence.
- Maintaining anti-slavery and human trafficking policies and ensuring these obligations extend to subcontractors and suppliers.



Our commitment to protecting human dignity and ensuring fair treatment within the supply chain is reinforced through ongoing monitoring and engagement with suppliers.



## 2. Compliance with Laws and Regulations

NESR holds suppliers accountable to comply with all applicable local and international laws, including U.S. trade compliance regulation and economic sanctions regulations. Suppliers are also required to adhere to the NESR Code of Conduct, accessible on our website, and ensure compliance with immigration laws and employment standards. Failure to meet these requirements constitutes grounds for immediate termination, with suppliers obligated to defend and indemnify NESR from any resulting claims.

## 3. Health, Safety, and Environment

Suppliers must ensure safe and healthy working environments, protecting the well-being of their workforce and NESR personnel. Compliance with NESR's HSE policies is mandatory, including the prompt reporting of accidents, injuries, and near-misses. These measures safeguard both people and the environment, reinforcing NESR's commitment to sustainability.

Through regular audits of critical suppliers and updates to our supplier management processes, NESR ensures compliance with ESG priorities, fostering ethical and responsible partnerships. In the forthcoming year, NESR aspires to drive a supplier engagement and ESG adoption survey to fortify its commitment to sustainable goals and by training those suppliers who lack knowledge.

# Think Globally, and Act Locally

NESR believes in the philosophy of Think Globally, and Act Locally.

"Think Globally, Act Locally" in supply chain management bridges the gap between universal sustainability goals and actionable strategies. By localizing efforts while maintaining a global perspective, organisations contribute to achieving the SDGs in a practical and impactful manner. This approach ensures economic empowerment, environmental sustainability, and social equity, fostering a better future for all. Under the banner, NESR promotes in-country value creation by localized sourcing. In 2023, approx. 78% of the spend was with suppliers within the country. IKTVA and ICV programs serve as catalysts for achieving objectives in the GCC.

By focusing on environmental sustainability, socioeconomic empowerment, and strong governance, these initiatives contribute to a more localized, equitable, and sustainable economy. Their emphasis on collaboration between public and private sectors ensures alignment with SDG goals, setting a benchmark for responsible growth in the region.

	2021	2022	2023
Total spend on developing local suppliers	\$315,000	\$330,000	\$350,000
Total hours spent on developing/ training local suppliers	5,300	5,800	6,200
Total number of suppliers that have been committed to environmental/ human rights/social adherence	2,500	3,100	1,200
Total procurement budget spent on local suppliers	\$ 490 Million	\$ 583 Million	\$ 605 Million
Committed % of Total Active Suppliers	%21	%34	%50

\*Supplier Rationalisation performed in 2023 by 70%







# RESPONSIBILITY TO CORPORATE SUSTAINABILITY

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# Corporate Governance

**NESR Board of Directors.** NESR and its Board are committed to high standards of corporate governance, transparency, and the protection of shareholders' interests. We maintain open communication with all our stakeholders and effectively manage risks to our sustainability. In 2020, we voluntarily published our Corporate Governance Guidelines (Guidelines) on our website [www.nesr.com](http://www.nesr.com). NESR's Guidelines provide a framework for the governance of the Company and assist the Board and its committees in the exercise of their responsibilities. In addition to the Guidelines, NESR is governed by the Board committee charters and our Code of Conduct, which can be found on our website.

NESR was incorporated in the British Virgin Islands (BVI) in 2017 as a BVI company limited by shares. NESR's affairs are governed by its Amended and Restated Memorandum and Articles of Association dated May 17, 2024 ("Charter"), the BVI Business Companies Act, 2004, as amended, and the common law of the British

## Leadership Structure and Risk Oversight

The Board of Directors believes that the most effective leadership structure is for Mr. Foda to serve as our Chief Executive Officer and Chairman of our Board of Directors. Mr. Foda has extensive experience in the oil and gas industry. By having Mr. Foda serve as the Chief Executive Officer and as Chairman of the Board, the Board of Directors believes that it enables Mr. Foda to ensure that the Board of Directors' agenda responds to strategic challenges, that the Board of Directors is presented with information required for it to fulfill its responsibilities, and that Board of Directors meetings are as productive and effective as possible. Mr. Campo Mejia serves as lead independent director of the Board of Directors. (LID), and his presence on the board is vital to ensure there is an independent counter-balance to the chair.

Virgin Islands. Additionally, because the Company's ordinary shares are listed on the Nasdaq exchange, NESR is subject to Nasdaq's corporate governance listing rules (Nasdaq Listing Rules). Nasdaq Listing Rule 5615(a)(3) permits a foreign private issuer like NESR to follow the corporate governance practices of its home country in lieu of certain Nasdaq Listing Rules. NESR's Guidelines do not represent NESR's home country's practice, and by adopting them, NESR has not avoided any Nasdaq Listing Rules. NESR is committed to high standards of corporate governance and endeavors to comply with the Nasdaq Listing Rules.



## Mr Campo as LID plays an essential and indispensable role on the board.

Additionally, the LID provides an important point of contact for principal shareholders to raise issues and concerns in normal times or where contact through the channels of board chair, CEO or other executive directors has failed to resolve or where such contact is inappropriate. The LID should also act as a **mediator** to facilitate the resolution of any disputes involving the board chair.





**Board Composition.** We value the diversity of our Board and believe that it allows for different perspectives to be represented. Our Board members are diverse in racial backgrounds, age, experience, and nationality. At the same time, all members of the Board, apart from the CEO, satisfy the criteria of independence as defined under the Nasdaq Listing Rules, applicable SEC rules, and the Company's independence standards. Our directors are citizens of African, Asian, European, and North American countries and reflect the diversity of our employees and clients.

**Board Purpose and Responsibilities.** The Board is elected by NESR's shareholders to oversee the business and affairs of the Company, enhance its long-term value and financial health, and serve the interests of shareholders. The Company's day-to-day business is run by employees under the direction of the CEO, with supervision of the Board.

The Board is committed to promoting the core values of the Company including integrity, social responsibility, environmental stewardship, and fostering diversity and inclusion. Both the Board and management of NESR recognize that the long-term interests of shareholders are advanced by maximizing return to shareholders in a responsible and ethical manner.



#### **NESR's Board performs many specific functions:**

- selecting, evaluating, and compensating the CEO and overseeing CEO succession planning, in conjunction with the Compensation Committee;
- providing counsel and supervision on the selection, evaluation, development, and compensation of senior management;
- reviewing, monitoring and, where appropriate, approving fundamental financial and business strategies and major corporate actions;
- monitoring and assessing major risks facing the Company—and reviewing options for their mitigation; and
- ensuring processes are in place for maintaining the integrity of the Company—the integrity of the financial statements, the integrity of compliance with law and ethics, the integrity of relationships with customers and suppliers, and the integrity of relationships with other stakeholders.







**Board Committees.** The Board has three standing committees, namely, the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee. Every committee has a charter that outlines the committee's purpose and responsibilities. The charters are reviewed annually and updated as necessary. Each committee performs its duties as authorized by the Board in compliance with its specific charter and the Company's Charter.

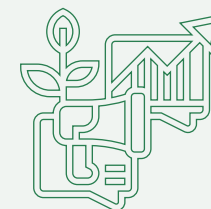
The Audit Committee of the Board is appointed for the primary purpose of performing the Board's oversight responsibilities as they relate to the Company's accounting policies and internal controls, financial reporting practices, and legal and regulatory compliance, including the quality and integrity of the Company's financial statements, the Company's financial compliance with legal and regulatory requirements, review of the independent auditors' qualifications and independence, and the performance of the Company's internal audit function and the Company's independent auditors.

**Board Oversight.** The Board oversees corporate ESG and HSE performance. At the Board's direction, ESG updates are presented to the Board quarterly to ensure ESG considerations are factored into business decisions. Additionally, the Board reviews and monitors ESG risks and opportunities at Board and committee meetings as deemed necessary. The Board's close supervision of ESG and HSE is designed to safeguard the interests of all internal and external stakeholders and ensure the protection of communities, environments, and ecosystems impacted by the Company's business.

The Compensation Committee of the Board is appointed for the primary purpose of representing and assisting the Board in discharging its responsibilities for approving and evaluating officer compensation plans, policies, and programs of the Company. The Compensation Committee ensures that the Company's compensation programs are competitive, designed to attract and retain highly qualified directors, officers, and employees, encourage high performance, promote accountability and assure that employee interests are aligned with the interests of the Company's shareholders.

The Nominating and Governance Committee of the Board is appointed for the primary purpose of monitoring compliance with good corporate governance standards and overseeing the selection of persons to be nominated to serve on the Board. The responsibilities of the Nominating and Governance Committee include recommending director nominees to the Board for election at the annual meeting of shareholders or for election by the Board to fill open seats between annual meetings and reviewing and making recommendations to the Board regarding non-executive director compensation.

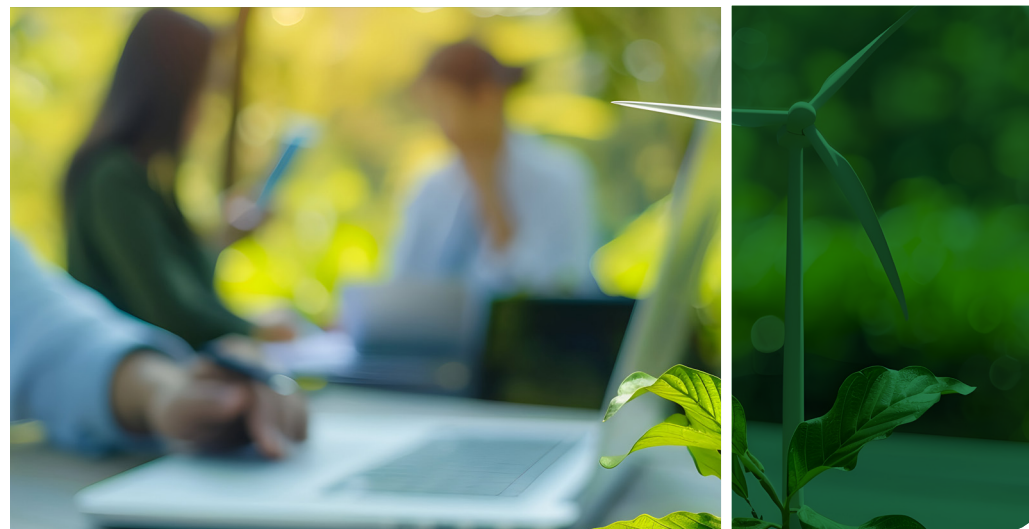
NESR's internal ESG efforts, including the development of key ESG strategies and initiatives, assessment of key ESG risks and opportunities, and the development of the Company's ESG reports are overseen by the CEO and driven by senior leadership with the full support of the Board.



## Managing ESG Risk

The Board manages ESG risks directly through the CEO, who interacts with the ESG and QHSE teams reporting to him. Identified ESG risks that are financially material to the Company are investigated, and mitigation actions are undertaken accordingly.

The Board recognizes that actions need to be taken to help the Company transition and adapt to a low carbon economy. In 2020, we started tracking and measuring our environmental performance to set reduction targets for our business. We are currently in the process of understanding our baseline and designing measures to improve energy and water efficiency and reduce CO2 emissions in our operations and facilities.



## Equitable Compensation

Executive Directors of the Board, such as the CEO, who also serves as the Chairman of the Board, are not compensated for their service on the Board.

The Nominating and Governance Committee recommends competitive compensation packages designed to attract and retain highly qualified directors and assure that the interests of the Company Directors and shareholders are aligned.

The Nominating and Governance Committee may also review and recommend to the Board changes to the compensation of the Company's independent directors.

Changes to independent director compensation, if any, need to be approved by the Board.



## Executive Compensation Philosophy

At NESR, all employees have the opportunity to gain stocks and awards amounting to up to 200% of their annual salaries by meeting the objectives set according to our standards. Our reward system is based on merit, not hierarchy, and allows for equal participation. We do not reward actions or decisions that are detrimental to shareholders and other stakeholders. As such, we support linking CEO and executive compensation to total shareholder return and do not reward high tolerance for risk or actions that raise the Company's share price without producing any real value. To maintain a healthy balance between short-term financial gains and long-term value creation, we do not have severance agreements that grant the CEO excessive payouts in the event of a merger or acquisition, and we link total compensation to the key ESG targets which we believe are important to stakeholders.

Our compensation program is designed to align our executive pay incentives with the creation of sustainable, long-term value for NESR and the long-term returns for our shareholders. Executive compensation includes base salary, annual cash bonuses, long-term incentive awards, and other benefits and limited perquisites. Our variable compensation program is designed to reflect the entrepreneurial culture of NESR, with at least 70% of executive pay at risk and tied to specific, measurable objectives. Our long-term equity incentive awards are designed to reward value creation from achieving operational objectives, thus aligning management and shareholders. Our executive compensation program is also designed to limit perquisites, executive contracts, change in control payments, or other benefits not widely available to all employees. Our CEO waived his stock award in 2023 and has continued the practice of waiving all RSUs since the company's inception to increase the pool of stocks available to employees. His awarded compensation was 61 times that of the median employee.





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*A more detailed discussion of our executive compensation program is available in our 2023 proxy statement in the "Compensation Discussion and Analysis" section.*

**In setting our executives' compensation, we follow the guidelines listed below:**

- **Pay for Performance** Both our short-term and long-term incentive plans are linked to the achievement of performance metrics.
- **Distribution of Performance Incentives** Both our short-term and long-term compensation programs are granted widely throughout the organisation on similar terms as the named executive officers (NEOs) to align performance objectives and promote greater pay equity.
- **Limited Change of Control** Our equity plan has limited change of control provisions.
- **Higher Weighting of Compensation to At-Risk Pay** Base salaries for NEOs are targeted at peer midpoint levels with a higher proportion of at-risk pay.
- **Peer Compensation Review** The NEO compensation program is periodically benchmarked by an independent consultant and reviewed by the NESR Compensation Committee.
- **Limited Perquisites** NEO perquisites are limited to expatriate assignments, relocation, and perquisites customary in certain countries as part of an executive compensation package.
- **Compensation Clawbacks** NEOs are subject to a clawback policy that would allow NESR to recover incentive-based compensation in certain scenarios such as the need for NESR to restate its financial results.

## Tax Strategy

We are committed to complying with the tax laws and regulations of all the countries in which we operate. NESR voluntarily publishes its tax strategy to disclose its position concerning tax planning, tax risk management, and tax governance. We consider this to be part of our commitment to transparency, good corporate governance, and responsible corporate citizenship. NESR strives to build transparent and cooperative relationships with all our stakeholders, including shareholders, employees, governments, and the public in all the countries in which we operate. We also seek to resolve disputes amicably and achieve mutually acceptable outcomes whenever possible. Our tax strategy was formulated to reflect this mindset.

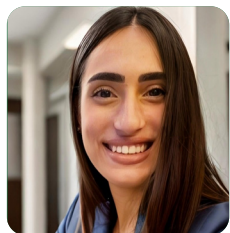
We apply professional care and judgment in tax affairs and ensure that we adopt clear processes directed at assessing and paying all taxes associated with our operations in a transparent, accurate, and timely manner. NESR has a zero tolerance stance on tax evasion. Our transfer pricing policy, when applied, is set in accordance with internationally acceptable standards and rules and regulations set by tax authorities in the countries in which we operate. We commit to applying any incentives or exemptions implemented by the governments where we do business in the manner intended and in compliance with applicable laws and our internal controls and commitments.



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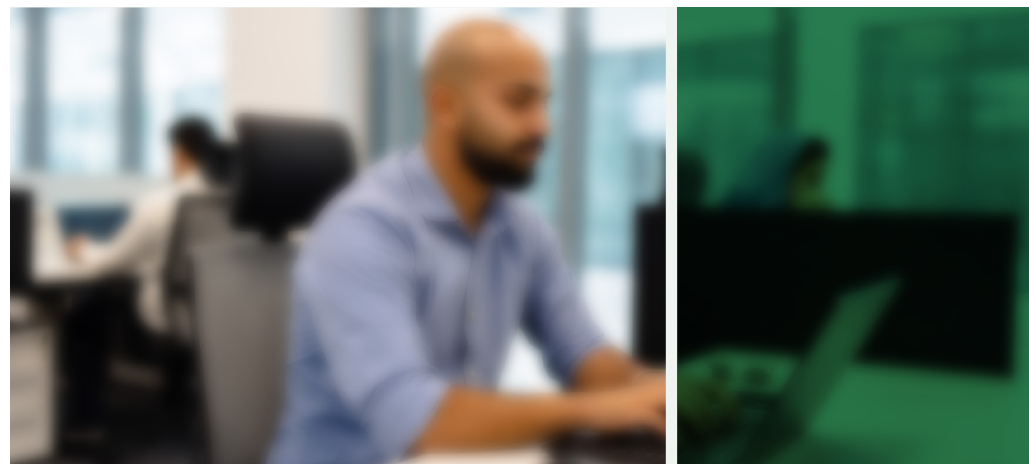
Tax planning at NESR is designed to ensure compliance with tax laws and regulations in all the countries where we operate and to minimize our exposure to tax risks. Given the jurisdictional diversity of NESR, we continuously monitor changes in tax regulations and practices to effectively manage our exposure to tax uncertainties, and we make fair and accurate tax disclosures at all times. Whenever necessary, we consult with external tax advisors to assist with tax reporting to facilitate a better understanding of tax laws and to support technical and tax compliance matters. We aim to manage tax risk in a manner that preserves the investment of our shareholders, while remaining aware of the financial and reputational impact of our decisions and acting in accordance with our corporate responsibility to the countries in which we operate.

Our tax policies and guidelines are strictly enforced by our finance team and tax professionals, who are qualified to identify and manage tax risks and ensure compliance with the tax rules of different jurisdictions. NESR has systems in place to maintain robust internal controls in relation to all aspects of financial and taxation reporting. The Audit Committee of NESR's Board oversees NESR's accounting policies and internal controls, financial reporting practices, and legal and regulatory compliance, including tax policies, which are regularly reviewed by the Audit Committee.



**YARA AMMAR**  
Tax Manager

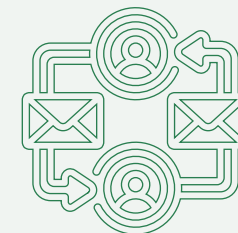
*"At NESR, we ensure our tax practices align with our core ESG values, focusing on transparency, integrity, and compliance. We recognize that tax payments are a vital contribution to the economic well-being of the communities in which we operate. Hence, we are dedicated to upholding our role as a responsible corporate entity. By contributing to the communities where we operate, we support sustainable growth by creating long-term value for all stakeholders alike."*



## Communication with the Board

**To reach the Board, or any specific member or members thereof, including the non-management directors as a group, send your communication to:**

Corporate Secretary  
National Energy Services Reunited Corp.  
777 Post Oak Blvd., Suite 730  
Houston, TX 77056  
United States of America



The corporate secretary shall then forward the correspondence or materials, as appropriate, to the intended member(s) of the Board.



## Business Ethics, Integrity and Compliance

NESR is committed to transparency, integrity, and maintaining ethical conduct at all times. We regularly update our Code of Conduct (Code) to strengthen the foundations of our identity and corporate culture and set the boundaries of our interactions with others. The Code reinforces our corporate commitment to maintaining high ethical standards and summarizes the fundamental importance of acting with integrity in everything we do. Published on our website in Arabic and English, our Code applies to all directors, officers, employees, and contractors of the Company, as well as third parties who do business with NESR. One of the mandatory requirements for the new employees is to read, acknowledge and sign the Code as part of their onboarding process, in addition to a yearly mandatory acknowledgement for all employees. Each of our business partners, suppliers, and agents are required to comply with the laws of the countries where they operate and act responsibly and ethically in a manner consistent with our Code.

Similarly, all NESR employees are required to perform their jobs in compliance with all applicable laws, rules, and regulations of the jurisdictions within which the Company operates. Sometimes these laws vary from place to place and may even conflict. Our employees are responsible for knowing and following the laws and regulations that apply where we work. However, when local laws or practices are not as strict, the Code and other NESR requirements still apply (NESR Code of Conduct, p. 6).

We maintain strict guidelines to deal ethically with our customers, suppliers, contractors, government agencies, and fellow employees. We are committed to respecting our competitors and their offerings, vigorously and fairly competing with them, and never colluding to gain an unfair industry advantage. We believe in personal accountability, transparency, honesty, and accurately reporting and



tracking all of our business activities (NESR Code of Conduct, p. 15).

We conduct periodic internal and external audits of all departments to verify that we are meeting our obligations and improve adherence to our Code. We continue to review training needs to improve adherence to our Code everywhere we operate.

We successfully conducted a physical compliance training workshop for over 500 employees, including all CEO-1 and CEO-2 levels, as well as supply chain and finance teams across all regions. The training covered key topics such as Anti-Bribery, Workplace Harassment, Doing Business (CoC Principles), HR Policies, IT Compliance, Procurement, Supply Chain and Finance processes and procedures.



**AYA EID**  
HEAD OF LEGAL

*"At NESR, equitable business ethics, integrity, and compliance are central to our identity. As a team, we hold ourselves accountable to the highest ethical standards through our Code of Conduct, ensuring transparency and responsibility not only in every decision we make, but in every partnership we build."*





## Anti-Corruption and Anti-Bribery

NESR adopts a zero-tolerance approach to bribery and corruption. We conduct our business honestly and in an ethical manner and expect our people to act professionally, fairly, and with integrity wherever we operate. We implement and enforce effective programs, training, communications to counter improprieties and ensure anyone doing business on behalf of NESR has sufficient awareness to conduct themselves accordingly (NESR Code of Conduct, p. 12).

Our anti-corruption and anti-bribery policy stipulated in our Code is published on our website [www.nesr.com](http://www.nesr.com). Enforcement of the policy is overseen by the Board and CEO. The Code and any associated Company policies, standards, and guidelines are reviewed and updated regularly.

We aim to identify and address any anti-corruption and bribery policy violations promptly. Our grievance reporting procedures that are outlined in our Code allow for anonymous reporting of Code's violations. When violations are reported, NESR thoroughly conducts investigations by forming an objective investigation team; determining the facts through interviews and the review of relevant documents and recommending corrective action, as appropriate (NESR Code of Conduct, p. 6-7).



## Supply Chain Management

We require our suppliers to comply with the Code and the laws of the countries in which they operate, and that they act responsibly and ethically in a manner consistent with our Code. Likewise, each of our suppliers are required to maintain policies to safeguard against human rights violations (e.g., discrimination, child labor, slavery), prohibiting bribery and corruption, and responsibly sourcing materials. Our commitment to these requirements is unwavering.

We also promote diversity in the supply chain and invest in developing local suppliers. We prescreen potential business partners and suppliers to confirm legal compliance by requiring that proposals include a statement of their intent to adhere to laws and regulations regarding human rights including forced or child labor and the payment of wages. (NESR Code of Conduct, p. 19)

**We also provide compliance trainings to the suppliers and third parties across the countries to ensure they fully understand the Code and NESR ethics.**



# Human Rights

NESR complies with relevant local and international laws and regulations everywhere we operate and strive to ensure that human rights are upheld in our operation.



We make concerted efforts to confront human rights violations in our operations and ensure a work environment where employees are treated with respect and dignity, enabling them to achieve their full potential free from discrimination, as defined in the United Nations Universal Declaration of Human Rights and the International Labor Organisation Declaration on Fundamental Principles and Rights at Work, U.N. Guiding Principles.

Our commitment to conduct business with the highest level of integrity includes compliance with international labor and workplace laws and regulations governing our operations worldwide. We also commit to dealing only with those business partners who share our commitment to protect human rights and safeguard diversity in our supply chain.

We prescreen potential business partners and suppliers to confirm legal compliance by requiring that proposals include a statement of their intent to adhere to laws and regulations regarding forced or child labor and the payment of wages (NESR Code of Conduct, p. 19).

*Our commitment includes compliance with international labor and workplace laws and standards in:*

- Freedom of association;
- Collective bargaining;
- Privacy;
- Immigration;
- Working time, wages, and hours;
- Healthy, safe, and secure workplaces;
- Employment discrimination;
- Harassment;
- Forced, compulsory, or child labor; and
- Human trafficking.

## Whistleblower Protection

NESR employees are required to promptly report actual and/ or suspected violations of the Code to support an ethical workplace, strengthen the Company, and protect colleagues from harm.

Employees who need to report issues or share concerns should first contact their direct or functional manager. If this is not practical, they may contact a manager in human resources, finance, or another relevant function, or NESR general counsel. Additionally, they can raise concerns online via [ethics@nesr.com](mailto:ethics@nesr.com), or by calling the anonymous Company compliance hotline toll-free numbers on the website.

NESR prohibits retaliation for good faith reporting of a potential or actual violation of the NESR Code or applicable laws. At the same time, failing to promptly report a known or suspected violation of the Code, knowingly filing false reports, and retaliating against any employee for reporting a concern may be subject to internal disciplinary action, up to and including termination, as well as potential civil or criminal prosecution (NESR Code of Conduct, p. 6-7).



## Conflicts of Interest

NESR directors, officers, and employees are expected to avoid situations where an employee's personal interest may interfere in any way with the Company's interest or work objectives. All such individuals are expected to refrain from taking for themselves opportunities discovered through their use of corporate assets or their positions. Situations of conflicts of interest should be avoided and, when unavoidable, should be disclosed and approved in writing by NESR legal team.

All NESR employees must make prompt and full disclosure to their supervisors of any situations involving an actual or possible conflict of interest ([NESR Code of Conduct, p. 14](#)).



## Gifts and Donations

Our employees, in their corporate capacity, are prohibited from giving or accepting any gifts that are more than a nominal value of \$100, nor can they give gifts to or accept gifts from the same vendor more than once per year.

Should such prohibited gifts be received, our employees are instructed to return the gifts, with a note of thanks addressed to the vendor, including



a polite reminder of the Company's policy. Our policy is designed to prevent situations where business decisions might be influenced by gifts and hospitalities that may amount to or be construed as bribery.

Donations, where made, must be strictly controlled and approved by executive management and NESR finance. No Company donations of any sort can be made without the approval of executive management and NESR does not make charitable donations to gain any commercial advantage ([NESR Code of Conduct, p. 12-14](#)).





## Confidentiality

Information regarding the Company's business, including but not limited to information regarding customers, employees, costs, prices, earnings, products, operations, potential mergers and acquisitions, strategies, and other arrangements, is presumed to be confidential information. NESR employees are prohibited from sharing, publishing, or disclosing to anyone outside of NESR, or use in any other than NESR's business, any non-public information shared by the Company, its suppliers, or customers, whether or not it is marked confidential.

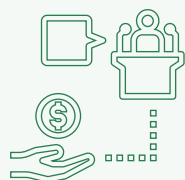
We comply with insider trading laws and as such NESR employees and their relatives, and associates are prohibited by law from buying or selling the Company's securities when in possession of material, non-public information. Any breach of confidentiality obligations is subject to disciplinary and/or legal action. We strictly protect our confidential data and enforce our rights against others who take or use it without proper authorization ([NESR Code of Conduct, p. 17](#)).

## Lobbying and Political Contributions

NESR is politically neutral and does not make political contributions of any kind to political parties. Similarly, we do not make charitable donations to gain any commercial advantage.

Our employees may not use Company funds or assets for political purposes. For public policy matters affecting the Company and its shareholders, NESR may engage in a direct dialogue with decision-makers but does not use paid lobbyists or seek to bring about a particular outcome or decision.

As a result of the Company's stance of political neutrality, NESR does not maintain a political action committee, nor does it contribute to any third-party political action committees or other political entities ([NESR Code of Conduct, p. 12](#)).



## Trade Control Compliance

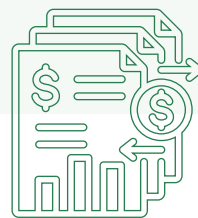
NESR complies with applicable import and export trade controls in all countries where we operate. As an international upstream oilfield services company, our operations span the globe. We routinely transfer material further afield, often across many borders so we must follow strict guidelines when we are getting the job done (NESR Code of Conduct, p. 18).

NESR has long instituted a Trade Control and Compliance Policy that was designed to meet obligations under sanctions laws of the jurisdictions in which NESR operates, has a presence, is registered and/or licensed and any other jurisdiction where the facts of the transaction make it appropriate to do so. The policy applies to NESR, its subsidiaries, affiliates, officers, consultants, agents, and employees.

We developed the policy in order to ensure that NESR officers, agents, consultants and employees as well as the Company's relationships with customers, suppliers, consultants, partners, joint venture associates and other third parties directly engaged with the Company's business activities do not breach any applicable sanctions.

*We demonstrate our commitment to trade control compliance by:*

- Complying with all applicable import and export laws, rules, regulations, and licenses controlling the shipment or movement of any products or services wherever we do business;
- Complying with all applicable laws and regulations related to the transmission of technical data or software products wherever we do business;
- Complying with all applicable economic and trade sanctions or restrictions;
- Conducting all of our business ethically and within the framework of all applicable antitrust and competition laws;
- Refraining from knowingly circumventing any laws, rules, regulations, and licenses whilst pursuing any Company business activity; and
- Remaining up to date with all laws, rules, regulations, and licenses related to trade and movement of goods as necessary.



## Financial Transactions and Reporting

NESR ensures that all books and records are fully available for audit by internal auditors and/or independent external auditors and that all Company assets and liabilities form part of the books of account included in the Company's financial statements. We ensure that any reporting or disclosure of financial information, whether inside the Company or to the public, is made by authorized personnel and approved by the appropriate authority of the Company and that this reporting or disclosure complies with all applicable laws, regulations, and NESR financial procedures.

We record all transactions under U.S. Generally Accepted Accounting Principles (GAAP) and reflect them accurately in the Company's records (NESR Code of Conduct, p. 22).



## Responsible Sourcing of Materials

NESR and all of its business partners, suppliers, and agents are required to comply with the laws of the countries where they operate and to act responsibly and ethically in a manner consistent with the NESR Code of conduct, including: maintaining policies to safeguard against human rights violations such as discrimination, child labor, and slavery, prohibiting bribery and corruption, and responsibly sourcing materials. We do not tolerate human rights abuses associated with irresponsible sourcing of materials and only work with suppliers that share our values in their sourcing activity (NESR Code of Conduct, p. 6).



## Security Risks and Procedures

All NESR offices and operational bases maintain security procedures tailored to their specific country and location risk profiles. Such procedures are updated regularly based on risk assessments of operations in any given country.

Risk assessments are required as part of due diligence for new operations and regular reviews for ongoing operations. They are implemented to protect our personnel and assets from exposure to unmanageable security risks. In addition, every NESR office and operational base is required to have an emergency response plan, that is updated and drilled regularly, according to the country and location risk profile.

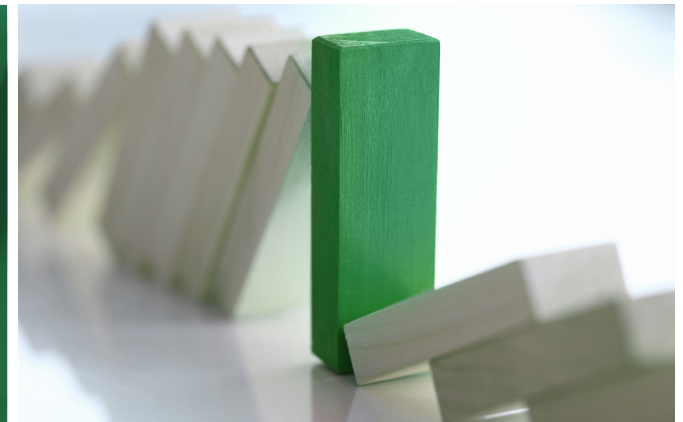
Our risk procedures are effectively communicated through regular security training, briefings, and inductions (NESR Code of Conduct, p. 10).

## Crisis Management

NESR's crisis management policy is designed to effectively coordinate the use of resources to protect life and assets during and immediately following a major crisis or disturbance affecting our operations that cannot be controlled through routine, daily and normal channels, operating standards, and procedures. Every business unit at NESR has a defined crisis management committee composed of members of upper management.

The committees provide general oversight for the entire planning process and meet regularly to address emergency preparedness, response, and recovery issues. The committees also develop specific crisis management response plans that outline steps on handling a crisis to protect NESR's personnel and assets, as well as to mitigate any impact on our business. These plans include communication protocols, evacuation procedures, drills, and resource planning.

NESR's crisis management policy is designed to effectively coordinate the use of resources to protect life and assets during and immediately following a major crisis or disturbance affecting our operations that cannot be controlled through routine, daily and normal channels, operating standards, and procedures (NESR Code of Conduct, p. 23).





# Information Security

At NESR, safeguarding the confidentiality and integrity of both our proprietary data and that of third parties is a top priority. We understand that managing sensitive information is a vital responsibility for our employees. To reinforce this commitment, we have developed a comprehensive information security strategy that encompasses:

- **Advanced Security Measures:** Our Information Technology systems are equipped with cutting-edge security technologies and software to protect against potential threats.
- **Data Backup and Continuity Planning:** We have implemented robust backup systems and business continuity workflows to ensure operational resilience and minimize the impact of data loss.
- **Device Security:** All NESR mobile devices, including laptops, are secured at all times, especially during travel, to prevent unauthorized access.
- **Employee Training:** We offer ongoing training to our employees on the appropriate handling, management, storage, and disposal of both customers' and NESR's proprietary and sensitive information. (NESR Code of Conduct, p. 11).
- **Regular Audits:** We perform routine assessments of our IT security protocols to identify vulnerabilities and enhance our defenses.
- **Compliance with Standards:** We comply with industry best practices and standards for data protection and cybersecurity.
- **Regular Vulnerability Assessments and Penetration Testing:** To proactively identify weaknesses, the Company conducts regular vulnerability assessments and penetration testing on all IT systems, including core applications and cloud infrastructure. These assessments help uncover vulnerabilities before

they can be exploited by external or internal threats.

- **Cloud Security Best Practices:** For our cloud-based infrastructure, the Company adopts a multi-layered security approach, including strong authentication mechanisms (e.g., multi-factor authentication), regular security patching, continuous monitoring of cloud environments, and data redundancy to prevent data loss.
- **Incident Response Planning:** Our incident response plan is designed to enable us to swiftly and effectively address any data breaches or security threats.
- **Continuous Improvement:** The company maintains a culture of continuous improvement in IT security. Regularly updating security protocols, adopting new technologies, and learning from past incidents are part of an iterative process to enhance the resilience of our IT infrastructure.



*Through these initiatives, NESR reaffirms its steadfast commitment to information security, fostering trust and confidence among our stakeholders.*



## Cybersecurity Training & Phishing Simulation

As part of NESR commitment to maintaining a secure and resilient IT infrastructure, we prioritize ongoing cybersecurity education for all employees.

In the rapidly evolving digital landscape, safeguarding sensitive information and ensuring robust protection against cyber threats are essential to our operations and the trust of our stakeholders



## Comprehensive Cybersecurity Awareness Training:

To enhance our employees' ability to identify, prevent, and respond to cyber threats, we conduct mandatory cybersecurity awareness online training with certifications, webcasts and classroom training across all levels of the organisation.

This training program is designed to equip employees with the knowledge and skills necessary to recognize and handle a wide range of security risks, including data breaches, malware, ransomware, and social engineering attacks.

### The training covers key areas such as:

- Identifying phishing emails and other common cyber threats
- Best practices for securing personal and Company data
- Recognizing potential vulnerabilities in day-to-day operations
- The importance of multi-factor authentication (MFA) and strong password policies
- Protocols for reporting suspicious activity

**Phishing Simulation Program:** In addition to formal training, we have implemented an ongoing phishing simulation program to test and improve employees' ability to recognize and respond to phishing attempts. These simulations are designed to mimic real-world phishing attacks, providing employees with a safe environment to practice their response without compromising actual Company systems or data.

Through these simulations, we measure employees' engagement with phishing emails, track the rate of responses, and provide immediate feedback to help individuals learn from their experiences.

Employees who fall for a simulated phishing attempt receive targeted follow-up with additional mandatory cybersecurity training to reinforce best practices.



In **2023, 2,085 hours** of cybersecurity awareness fundamentals and email security awareness training courses were provided to **2,581 employees** at NESR.

## Data Protection

NESR is determined to preserve the integrity of all customer and internal data. Our customers engage with us and trust us to execute services, capture and evaluate operational data, and document the results. We are committed to ensuring that this data is securely handled and maintained to uphold confidentiality.

We have strict processes in place to manage and control customer and internal data, and we create awareness around data integrity through training and communication campaigns. Our employees are trained to request and access customer data only when necessary and solely for legitimate business purposes. Additionally, customer data is shared internally only with those employees whose job roles require access to such information.

For systems that store or process sensitive data, we implement MFA to ensure that only verified users can access critical systems and information.

We take all reasonable measures to protect the confidentiality of any sensitive or proprietary information of our customers and to notify them immediately of any



unintentional access or wrongful receipt of their data. We diligently prepare and accurately record data and business records, securely retain, and appropriately dispose of customer data when required. Finally, our procedures define clear accountability lines concerning the handling, generation, transmission, reception, storage, and disposal of customer and internal data. (NESR Code of Conduct, p.16)

**Encryption and Secure Communication:** All sensitive and personal data is encrypted, both in transit and at rest, to prevent unauthorized access. Secure communication protocols, such as SSL/TLS, are implemented to safeguard data exchanged over the internet.

Data protection and IT security are integral to our commitment to maintaining the trust of our customers, employees, and stakeholders. By implementing robust cybersecurity measures, adhering to global privacy regulations, and continually improving our data protection practices, we ensure that we remain compliant, transparent, and accountable in our operations. We will continue to focus on strengthening our IT security and data protection frameworks to protect sensitive information, mitigate risks, and uphold the highest standards of governance and social responsibility.







## Intellectual Property Rights Protection

NESR respects fair competition and intellectual property obligations and firmly protects the Company's rights to its intellectual property. NESR employees understand that all intellectual property such as inventions, innovations, discoveries, improvements, or ideas conceived or developed by employees of the Company are considered the Company's sole property.

Our employees should not disclose or misuse the Company's intellectual property or irresponsibly use the intellectual property of others (NESR Code of Conduct, p.23).

## Digitalization and Analytical Reporting

At NESR, we continuously strive to enhance our data-driven decision-making processes through the integration of advanced digital tools. Our commitment to digital transformation enables us to analyze and visualize data across our business operations, providing deeper insights into performance, efficiency, and trends.

By leveraging technologies such as SAP Analytics Cloud, Power BI, and Microsoft platforms within our SAP ERP environment, we ensure that critical data is integrated, analyzed, and presented in a way that supports both operational and strategic decision-making.



# Key Technologies and Integration:

- **SAP Analytics Cloud for Advanced Data Analysis:**

SAP Analytics Cloud (SAC) serves as a central platform for analyzing business data across NESR's SAP ERP systems. By integrating various data sources into SAC, we can perform in-depth analyses that provide valuable insights into operational efficiency, resource utilization, financial performance, and more.

The tool's advanced analytics capabilities, including predictive analytics and trend forecasting, allow us to identify potential areas for improvement and better understand business dynamics. This data-driven approach enhances our ability to optimize resources, monitor performance, and make informed decisions that support both short-term and long-term goals.

- **Power BI for Interactive Reporting and Visualization:**

Microsoft Power BI provides NESR with a powerful platform for data visualization and real-time reporting. Through seamless integration with our SAP ERP environment, Power BI allows teams to create dynamic, interactive dashboards that display KPIs in a user-friendly format. These reports are accessible across departments, enabling stakeholders at all levels to engage with data and track progress on key metrics. The ease of use and real-time capabilities of Power BI make it an essential tool for operational reporting, helping NESR monitor key business metrics and respond quickly to changes in performance.



- **Integration within the SAP ERP Environment**

By embedding SAP Analytics Cloud and Power BI within the NESR SAP ERP environment, we ensure a seamless flow of data across various business functions. The integration of these platforms with our ERP system allows for real-time access to up-to-date information, ensuring that decisions are based on the most current and accurate data. From finance and procurement to human resources and supply chain, the SAP ERP environment serves as the backbone for data collection, with SAC and Power BI providing the tools to analyze, visualize, and report on that data in ways that drive performance improvements.

- **Microsoft Technologies for Data Management and Collaboration**

In addition to Power BI, NESR utilizes other Microsoft technologies, such as Microsoft Azure, SharePoint, and Office 365 tools, to enhance collaboration and data management. These technologies provide a secure and scalable cloud platform for storing large volumes of business data, ensuring that our analytical processes are supported by robust infrastructure. Integration with Office 365 tools enables teams to collaborate on reports, dashboards, and data insights in real time, fostering better communication and alignment across the organisation.

- **Impact on Business Operations and Strategic Decision-Making**

The integration of SAP Analytics Cloud, Power BI, and Microsoft technologies with NESR's SAP ERP system enables the consolidation and analysis of data across all functions of the organisation. This approach empowers teams to generate actionable insights and make data-driven decisions that optimize operational performance, reduce costs, and improve efficiency. Whether it's tracking financial performance, monitoring operational metrics, or forecasting resource requirements, these platforms provide a unified view of key business data essential for driving success.



Additionally, this digital transformation enhances NESR's ability to generate timely, accurate, and detailed reports. These reports not only serve internal stakeholders but also support compliance, regulatory reporting, and broader business goals. With real-time access to critical data and the ability to analyze it in depth, NESR is better positioned to respond to market demands, regulatory requirements, and sustainability objectives.

As we continue to leverage SAP Analytics Cloud, Power BI, and Microsoft technologies, we further strengthen our commitment to operational excellence, transparency, and continuous improvement. These digital tools are fundamental to NESR's strategy, enabling us to optimize resources, enhance business performance, and ultimately create long-term value for our stakeholders.





# ESG Data Table

Metric	Units	2021	2022	2023
CO <sub>2</sub> e - Scope 1	Metric tons	149,035	143,484	180,540
CO <sub>2</sub> e - Scope 2	Metric tons	2,253	2,378	2,328
Intensity*	Scope 1 + 2 per \$1mm Revenue	171.1	160.6	159.0
Electricity Use	MWh	5,467	5,711	5,649
Water Used	M3	175,332	225,887	241,695
Water and sewage Recycled	M3	-	-	100,459
Hazardous waste generated	Metric tons			2,417
Non-hazardous waste generated	Metric tons			29,120
Waste recycled	Metric tons			12,123
Waste incinerated	Metric tons			7,202
Waste to landfill	Metric tons			11,214
Spills >1bbl	Barrels			0
Volume of spills	Liters			156
Volume of Hydraulic Fracturing Fluid Used	M3	1,525,003	1,446,146	2,213,576
Frac Additives Percentage (%)	Percentage	0,35	0,35	0,28
Automotive Accident Rate (AAR)	Per million kilometers	0.39	0.32	0.23
Total Recordable Injury Frequency Rate (TRIR)	Per million manhours	1.54	1.30	1.11
Total Lost Time Injury Frequency Rate (LTIFR)	Per million manhours	0.49	0.47	0.39
Fatalities				
- Employees	Number	0	0	1
- Contractors		0	1	0
- Company Total		0	1	1
Automotive Accident Rate (AAR)	Per million kilometers	0.39	0.32	0.23
Non-productive Time Rate (NPTR)	Percentage	1.63	2.76	1.86

Man hours	LTi	TRC	KM Driven	Motor Vehicle Accident (MVA)	Operating Hours	NPT	LTIFR/ Per million Manhours	TRIR/Per million manhours	AAR/ per million KM	NPTR
18,003,119	7	20	76,964,029	18	3,720,372	6923	0.39	1.11	0.23	1.86

Metric	Units	2021	2022	2023
HSE Training	Hours	109,772	141,034	183,812

Total spend on developing local suppliers	\$ 315,000	\$ 330,000	\$ 350,000
Total hours spent on developing/ training local suppliers	5,300	5,800	6,200
Total number of suppliers that have been committed to environmental/ human rights/social adherence	2,500	3,100	1,200
Total procurement budget spent on local suppliers	\$ 490 Million	\$ 583 Million	\$ 605 Million



# SASB Table

## Emissions Reduction Services & Fuels Management

Accounting Metric	Code	Report Location or External Document Reference
Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment	EM-SV-110a.1	Fuel consumption not tracked on an on-road and off-road basis, but overall company emissions are calculated from total Diesel & Petrol use - Data Tables pg 70
Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts	EM-SV-110a.2	Air Emissions, pg26

## Water Management Services

Accounting Metric	Code	Report Location or External Document Reference
(1) Total volume of freshwater handled in operations - (2) percentage recycled	EM-SV-140a.1	Water Management, pg28
Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities, and impacts	EM-SV-140a.2	NEDA Segment, pg 24

## Chemicals Management

Accounting Metric	Code	Report Location or External Document Reference
Volume of hydraulic fracturing fluid used, percentage hazardous	EM-SV-150a.1	Chemical Transparency, pg32
Discussion of strategy or plans to address chemical-related risks, opportunities, and impacts	EM-SV-150a.2	Chemical Transparency, pg32

## Workforce Health & Safety

Accounting Metric	Code	Report Location or External Document Reference
(1) Total recordable incident rate (TRIR), (2) Fatality rate, (3) Near miss frequency rate (NMFR), (4) Total vehicle incident rate (TVIR), (5) Average hours of health, safety, and emergency response training for (a) full-time employees	EM-SV-320a.1	Safety Performance Data, pg 42
Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	EM-SV-320a.2	Employee Health & Safety, pg 41





### Business Ethics & Payments Transparency

Accounting Metric	Code	Report Location or External Document Reference
Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	EM-SV-510a.1	Revenue from countries in the bottom 20 of the TICP index represents <2% of total Company revenue
Description of the management system for prevention of corruption and bribery throughout the value chain	EM-SV-510a.	Anti Corruption & Anti-Bribery, pg 58

### Management of the Legal & Regulatory Environment

Accounting Metric	Code	Report Location or External Document Reference
Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	EM-SV-530a.1	Corporate Governance, pg 50

### Critical Incident Risk Management

Accounting Metric	Code	Report Location or External Document Reference
Description of management systems used to identify and mitigate catastrophic and tail-end risks	EM-SV-540a.1	Employee Health & Safety, pg 41

### Activity Metrics

Accounting Metric	Code	Report Location or External Document Reference
Total number of hours worked by all employees	EM-SV-000.D	Data Tables, pg 70





# TCFD Table

## Governance

Description	Disclosure	Report Location or External Document Reference	Comments
Disclose the organization's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate related risks and opportunities	Corporate Governance, pg 50	Information can also be found in the 2024 Proxy and 2023 Form 20-F, available on the Company website <a href="http://www.nesr.com">www.nesr.com</a>
		Climate Change, pg 25	Information can also be found in the 2024 Proxy and 2023 Form 20-F, available on the Company website <a href="http://www.nesr.com">www.nesr.com</a>
		NEDA Segment, pg 24	Information can also be found in the 2024 Proxy and 2023 Form 20-F, available on the Company website <a href="http://www.nesr.com">www.nesr.com</a>

## Strategy

Description	Disclosure	Report Location or External Document Reference	Comments
Disclose the actual and potential impacts of climate related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	Climate Change, pg 25, 2023 Form-20F	Information can also be found in the 2024 Proxy and 2023 Form 20-F, available on the Company website <a href="http://www.nesr.com">www.nesr.com</a>
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial reporting	NEDA Segment, pg 24, 2023 Form-20F	Information can also be found in the 2024 Proxy and 2023 Form 20-F, available on the Company website <a href="http://www.nesr.com">www.nesr.com</a>
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2degC or lower scenario	NEDA Segment, pg 24, 2023 Form-20F	Information can also be found in the 2024 Proxy and 2023 Form 20-F, available on the Company website <a href="http://www.nesr.com">www.nesr.com</a>

## Risk Management

Description	Disclosure	Report Location or External Document Reference	Comments
Disclose how the organization identifies, assesses and manages climate-related risks	a) a) Describe the organization's processes for identifying and assessing climate-related risks	Climate Change, pg 25, 2023 Form-20F	Information can also be found in the 2024 Proxy and 2023 Form 20-F, available on the Company website <a href="http://www.nesr.com">www.nesr.com</a>
	b) Describe the organization's process for managing climate-related risks	Climate Change, pg 25, 2023 Form-20F	Information can also be found in the 2024 Proxy and 2023 Form 20-F, available on the Company website <a href="http://www.nesr.com">www.nesr.com</a>



## Metrics & Targets

Description	Disclosure	Report Location or External Document Reference	Comments
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Data Tables, pg 70	The metrics disclosed throughout the report, and in the Data Tables section, comprise the majority of climate-related metrics tracked. Opportunities for risk management include country-specific initiatives within each, in addition to our NEDA Segment (page 24) which helps address similar risks for our customers and across the upstream energy value chain.
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	Air Emissions, pg 26	Scope 3 currently not tracked, but diligence ongoing to implement software-enabled tracking, surveying, and reporting of Scope 3
	c) Describe the targets used by the organization to manage climate-related risks, and opportunities and performance against targets	Data Tables, pg 70	For overall Scope 1 & 2 emissions, NESR monitors, and aims to reduce, the CO2e intensity of its business (Scope 1 & 2 CO2e per \$1mm Rev), and has achieved declines in subsequent years including 2023. Other key areas include internal water usage and percentage of water recycled vs. consumed (a commitment also in our existing credit facility). In our NEDA segment, overall revenue growth is directly related to the size, scope, and water/decarboization benefit that we are providing to customers (Scope 3), and NESR has achieved outsized NEDA revenue growth in each year that segment revenue has been tracked, including in 2023.



# GRI Table

GRI Content Index	
Statement of Use	NESR has reported the information cited in this GRI content index for the period January 1, 2023 through December 31, 2023 with reference to the GRI Standards and all sites under NESR operational control, unless otherwise noted.
GRI Standard Used	GRI 1: Foundation 2021 and GRI 11: Oil and Gas Sector

## General Disclosures

Disclosure	Description	Location, Reference or Data
GRI 2: General Disclosures		
2-1	Organizational Details	2023 Form 20-F
2-2	Entities Included in the Organization's Sustainability Reporting	2023 Form 20-F
2-3	Reporting Period, Frequency & Contact	January 1-December 31 2023, Reported Annually, ESG@nesr.com
2-4	Restatements of Information	Not Applicable - First report since 2021
2-5	External Assurance	2023 Form 20-F
2-6	Activities, Value Chain, and Other Business Relationships	Page 6
2-7	Employees	Pages 36-41
2-8	Workers Who are not Employees	Pages 36-41
2-9	Governance Structure & Composition	Page 50
2-10	Nomination and Selection of the Highest Governance Body	2023 Form 20-F
2-11	Chair of the Highest Governance Body	Page 50
2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts	Page 50

2-13	Delegation of Responsibility for Managing Impacts	Page 50
2-14	Role of the Highest Governance Body in Sustainability Reporting	Page 50
2-15	Conflicts of Interest	Page 60
2-16	Communication of Critical Concerns	Page 17, 57
2-17	Collective Knowledge of the Highest Governance Body	2023 Form 20-F, 2024 Proxy
2-18	Evaluation of the Performance of the Highest Governance Body	2023 Form 20-F, 2024 Proxy
2-19	Remuneration Policies	2023 Form 20-F, 2024 Proxy
2-20	Process to Determine Remuneration	2023 Form 20-F, 2024 Proxy
2-21	Annual Total Compensation Ratio	2023 Form 20-F, 2024 Proxy
2-22	Statement on Sustainable Development Strategy	Page 12
2-23	Policy Commitments	Page 9
2-24	Embedding Policy Commitments	Page 17, 57
2-25	Processes to Remediate Negative Impacts	Page 17, 57
2-26	Mechanisms for Seeking Advice and Raising Concerns	Page 17, 57
2-27	Compliance with Laws and Regulations	Page 57-61
2-28	Membership Associations	No Data to Report
2-29	Approach to Stakeholder Engagement	2023 Form 20-F, 2024 Proxy
2-30	Collective Bargaining Agreements	Page 59

GRI 3: Material Topics		
3-1	Process to Determine Material Topics	2023 Form 20-F, 2024 Proxy
3-2	List of Material Topics	2023 Form 20-F
3-3	Management of Material Topics	2023 Form 20-F, 2024 Proxy





Disclosure	Description	Location, Reference or Data
GRI 201: Economic Performance 2016		
201-1	Direct Economic Value Generated and Distributed	2023 Form 20-F
201-2	Financial Implications and Other Risks & Opportunities Due to Climate Change	2023 Form 20-F
GRI 202: Market Presence 2016		
202-2	Proportion of Senior Management Hired from the Local Community	No Data to Report
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure Investments and Services	No Data to Report
203-2	Significant Indirect Economic Impacts	No Data to Report
GRI 204: Procurement Practices 2016		
204-1	Proportion of Spending on Local Suppliers	Page 48
GRI 205: Anti-Corruption 2016		
205-1	Operations Assessed for Risks Related to Corruption	Page 58
205-2	Communication and Training About Anti-Corruption Policies & Procedures	Page 58
205-3	Confirmed Incidents of Corruption and Actions Taken	No Data to Report
GRI 206: Anti-Competitive Behavior 2016		
206-1	Legal Actions for Anti-Competitor Behavior, Anti-Trust, and Monopoly Practices	2023 Form 20-F

GRI 207: Tax 2019		
207-1	Approach to Tax	Page 55-56
207-2	Tax Governance, Control & Risk Management	Page 55-56
207-3	Stakeholder Engagement and Management of Concerns Related to Tax	Page 55-56
207-4	Country-by-Country Reporting	No Data to Report
GRI 302: Energy 2016		
302-1	Energy Consumption Within the Organization	Page 27
302-2	Energy Consumption Outside of the Organization	No Data to Report
302-3	Energy Intensity	4.9MWh per USD\$mm Revenue
302-4	Reduction of Energy Consumption	Page 27
GRI 303: Water and Effluents 2018		
303-1	Interactions with Water as a Shared Resource	Page 28
303-2	Management of Water Discharge-Related Impacts	Page 28
303-3	Water Withdrawal	Page 28
303-4	Water Discharge	Page 28
303-5	Water Consumption	Page 28
GRI 304: Biodiversity 2016		
304-1	Operational Sites Owned, Leased, Managed In, or Adjacent to, Protected Areas and Areas of High Biodiversity Value Outside Protected Areas	No Data to Report
304-2	Significant Impacts of Activities, Products, and Services on Biodiversity	No Data to Report
304-3	Habitats Protected or Restored	No Data to Report
304-2	IUCN Red List Species and National Conservation List Species with Habitats in Areas Affected by Operations	No Data to Report





Disclosure	Description	Location, Reference or Data
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG Emissions	Page 26
305-2	Energy Indirect (Scope 2) GHG Emissions	Page 26
305-3	Other Indirect (Scope 3) GHG Emissions	No Data to Report
305-4	GHG Emissions Intensity	Page 26
305-5	Reduction of GHG Emissions	Page 26
305-6	Emissions of Ozone-Depleting Substances	No Data to Report
305-7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and other Significant Air Emissions	No Data to Report

GRI 306: Waste 2020		
306-1	Waste Generation and Significant Waste-Related Impactst	Page 29
306-2	Management of Significant Waste-Related Impacts	Page 29
306-3	Waste Generated	Page 29
306-4	Waste Diverted from Disposal	Page 29
306-5	Waste Directed to Disposal	Page 29

GRI 306: Effluents and Waste 2016		
306-3	Significant Spills	Page 32

GRI 308: Supplier Environmental Assessment 2016		
308-1	New Suppliers that were Screened Using Environmental Criteria	Page 37
308-2	Negative Environmental Impacts in the Supply Chain and Action Taken	No Data to Report

GRI 401: Employment 2016		
401-1	New Employee Hires and Employee Turnover	No Data to Report
401-2	Benefits Provided to Full-Time Employees that are not Provided to Temporary or Part-Time Employees	No Data to Report
401-3	Parental Leave	No Data to Report

GRI 403: Occupational Health and Safety 2018		
403-1	Occupational Health & Safety Management System	Page 43
403-2	Hazard Identification, Risk Assessment, and Incident Investigation	Page 41
403-3	Occupational Health Services	Page 46
403-4	Worker Participation, Consultation, and Communication on Occupational Health & Safety	Page 46
403-5	Worker Training on Occupational Health & Safety	Page 46
403-6	Promotion of Worker Health	Page 46
403-7	Prevention & Mitigation of Occupational Health & Safety Impacts Directly Linked by Business Relationships	Page 46
403-8	Workers Covered by an Occupational Health & Safety Management System	Page 46
403-9	Work-Related Injuries	Page 45
403-10	Work-Related Ill Health	No Data to Report

GRI 404: Training and Education 2016		
404-1	Average Hours of Training per Year per Employee	Page 40
404-2	Programs of Upgrading Employee Skills and Transition	Page 44, 68
404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	No Data to Report





Disclosure	Description	Location, Reference or Data
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of Governance Bodies & Employees	Page 38
405-2	Ratio of Basic Salary and Remuneration	Page 54
GRI 406: Non-Discrimination 2016		
406-1	Incidents of Discrimination and Corrective Actions Taken	Not Reported due to Confidentiality
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and Suppliers in which the Right to Freedom of Association and Collective Bargaining may be At Risk	Page 59
GRI 408: Child Labor		
408-1	Operations and Suppliers at Significant Risk for Incidents of Child Labor	Page 58
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labor	Page 58
GRI 410: Security Practices 2016		
410-1	Security Personnel Trained in Human Rights Policies or Procedures	Page 47, 59
GRI 411: Rights of Indigenous Peoples		
411-1	Incidents of Violations Involving Rights of Indigenous Peoples	No Data to Report

GRI 413: Local Communities 2016		
413-1	Operations with Local Community Engagement, Impact Assessments, and Development Programs	No Data to Report
413-2	Operations with Significant Actual and Potential Negative Impacts on Local Communities	No Data to Report
GRI 414: Supplier Social Assessment 2016		
414-1	New Suppliers that were Screened Using Social Criteria	Page 37
413-2	Negative Social Impacts in the Supply Chain and Actions Taken	Page 63
GRI 415: Public Policy 2016		
415-1	Political Contributions	Page 61





## Disclaimer & Forward Looking Statements

This ESG Report contains forward-looking statements that may state the Company's or its management's intentions, beliefs, expectations or predictions for the future. Such forward-looking statements are subject to certain risks, uncertainties and assumptions, and typically can be identified by the use of words such as "will," "may," "could," "expect," "estimate," "anticipate," "forecast," "plan," "believe" and similar terms. Although NESR believes that its expectations are reasonable, it can give no assurance that these expectations will prove to be correct, and actual results may vary materially. Factors that could cause actual results to differ from those implied by the forward-looking statements include, but are not limited to, challenges, assumptions, and methodological considerations associated with NESR's various sustainability aspirations and efforts, as well as the Risk Factors set forth in our most recent Annual Report on Form 20-F, and current reports and other filings with the Securities and Exchange Commission.

This report has been reviewed internally by subject matter experts, with oversight from the Board. While we aim to update this report annually, following the availability of data for the most recently completed fiscal year, we cannot guarantee that future years' reports will cover the same topics or apply the same methodologies or assumptions used in this report, given that priorities and methodologies in this space continue to evolve. Moreover, NESR undertakes no obligation, and expressly disclaims any duty, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

In addition, historical, current, and forward-looking environmental and social-related statements may be based on standards and metrics for measuring progress, as well as standards for the preparation of any underlying data for those metrics, that are still developing and internal controls and processes that continue to evolve; while these are based on expectations and assumptions believed to be reasonable at the time of preparation, they should not be considered guarantees. Moreover, NESR's disclosures based on any standards may change due to revisions in framework requirements, availability of information, changes in NESR's business or applicable governmental policies, or other factors, some of which may be beyond NESR's control. The terminologies and taxonomies associated with some of our activities, including the extent to which activities can be characterized as "green," "sustainable," or "renewable" in nature, or similar terms, may be subject to interpretation, reinterpretation and regulation in the future, and there can be no guarantee that our interpretation of such terminologies and taxonomies will be consistent with how such matters are characterized in the future. To the extent we change, or are required to change, our approach or process for measuring our responses to climate- or other sustainability-related matters, or our disclosures and other statements regarding our products and/or operations, it may materially impact our progress on our sustainability efforts or profile.





The events, scenarios, and efforts discussed in this report, including both forward-looking statements and other statements, may be significant; however, the inclusion of such statements is not an indication that these contents are necessarily material for the purposes of complying with or reporting pursuant to the U.S. federal securities laws and regulations, even if NESR uses the word “material” or “materiality” in this document in relation to those statements or in other materials that NESR may release from time to time in connection with the matters discussed herein. Moreover, given the uncertainties, estimates and assumptions required to make some of the disclosures in this report, and the timelines involved, materiality is inherently difficult to assess far in advance. In addition, given the inherent uncertainty of the estimates, assumptions and timelines contained in this report, we may not be able to anticipate in advance whether or the degree to which NESR will or will not be able to meet its plans, targets or goals. Website and policy references throughout this document are provided for convenience only, and the content on the referenced websites and/or policies is not incorporated by reference into this document.

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