



Environmental, Social and Governance (ESG) Sustainability

Sustainability Report
2023

بِسْمِ اللَّهِ
الرَّحْمَنِ
الرَّحِيمِ

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"We are part of this world, we live its challenges, and we all share in this responsibility. By God's will, we will contribute effectively to finding solutions for many of the world's pressing issues, including environmental issues and promoting sustainable development. We will continue to work on this with international organizations, institutions, and partners."

Custodian of the Two Holy Mosques
King Salman bin Abdulaziz Al Saud,
May God protect him.



"Our ambition is to build a more prosperous nation where every citizen finds what they aspire to. We will accept nothing less than making the future of our nation, which we are building together, at the forefront of the world's countries."

His Royal Highness
Prince Mohammed bin Salman bin Abdulaziz Al Saud,
Crown Prince and Prime Minister,
May God protect him.

➤ CEO's Message, Aldrees Petroleum and Transport Services Company (Aldrees):



"Aldrees Petroleum and Transport Services Company adopts a comprehensive approach to integrating environmental, social, and governance (ESG) concepts and objectives at all levels, aligning with the ambitious goals of Vision 2030. We work to support all initiatives, provide a safe work environment, promote equality and diversity, and encourage innovation in delivering high-quality services while maintaining ethical standards and integrity. Aldrees always strives to be a role model in the energy and logistics sectors. Our vision is to be effective partners in achieving the Kingdom's aspirations, adhering to the highest ethical and governance standards. We fully recognize our important role in promoting community well-being and providing sustainable support. We believe that true success is measured not only by commercial achievements but also by the positive impact we make on our society."

CEO

Eng/ Abdul Ilah bin Saad Aldrees

Members of the Board of Directors of Aldrees Petroleum and Transport Services Company.



Eng/ Abdul Ilah Saad Aldrees
Member of the Board of Directors
Chief Executive Officer



Eng/ Abdulmohsen Aldrees
Vice Chairman of the
Board of Deputy Chairman



Sheikh Hamad Aldrees
Chairman of the
Chairman



Mr. Faraj bin Saad Al-Qabbani
Member Board



Eng/ Mohammed bin Abdullatif Al-Omayr,
Member Board



Mr. Eid Bin Falih Al-Shamri
Member Board



Mr. Khalid bin Abdulmohsen Aldrees
Board Secretary



Mr. Mohammed bin Salem Musa
Member Board



Mr. Basel bin Ali Al-Faris Member Board

➤ Report Introduction

This report is the first sustainability report for Aldrees Petroleum and Transport Services Company (Aldrees). It addresses the company's ongoing efforts in the field of environmental, social, and governance (ESG) sustainability, under the wise leadership of the Kingdom, which continuously strives to build a prosperous and sustainable nation. This report reviews the initiatives and projects implemented by Aldrees to promote sustainable development and support the local community through its commitment to environmental protection, minimizing the environmental impact of its operations, and applying innovative solutions for the preservation and optimal use of natural resources. This includes enhancing energy efficiency and reducing harmful emissions. The report also focuses on achieving social sustainability by supporting initiatives that contribute to improving the quality of life and providing opportunities for the community.

This report further affirms Aldrees's commitment to enhancing transparency and best practices in governance, contributing to the achievement of the Kingdom's Vision 2030 goals. Aldrees works closely with its partners and the community to direct its resources and expertise towards achieving a sustainable positive impact in the long term, reflecting its commitment to responsibility towards future generations.

📍 Main location: Kingdom of Saudi Arabia - Riyadh

✉ To communicate with the Sustainability Department and make inquiries :
info@aldrees.com



➤ Aldrees Petroleum and Transport Services Company (Aldrees):

Aldrees Petroleum and Transport Services Company (Aldrees) is a Saudi joint-stock company with extensive experience in petroleum services, logistics, and transportation. It was established on September 12, 1962, under Commercial Registration No. 1010002475.

Aldrees Petroleum and Logistics and Transportation Division Services Company (Aldrees) consists of two main sectors: the Petroleum Services Sector and the Transportation Sector, each with its unique passion and outstanding ability to serve the interests of the company's valued customers, shareholders, and all stakeholders.

➤ Services Provided by the Company:

- **Petroleum Services:** Distribution of petroleum products, including gasoline, diesel, and lubricants, and the management and operation of gas stations across various regions of the Kingdom.
- **Services Transportation and Logistics Services:** Providing land freight services; supplying a large fleet of modern trucks and vehicles equipped with the latest technologies to ensure the safety and efficiency of transportation operations; and offering comprehensive logistics solutions that meet customer needs, including warehousing, distribution, and inventory management.





Chapter 1

The Concept and Objectives of Environmental, Social, and Governance (ESG) Sustainability

➤ The Concept of Environmental, Social, and Governance Sustainability (ESG)

The concept of Environmental, Social, and Governance **(ESG)** sustainability refers to a set of global standards used to assess the impact of in the environmental, social, and governance areas. Each of these contributes to achieving the overall goals of sustainability and reflects the commitment to social and environmental responsibility.

➤ Environmental Sustainability:

Focuses on preserving natural resources and reducing environmental impact by adopting environmentally friendly practices, such as reducing emissions and developing renewable energy solutions.



➤ Social Sustainability:

Concerns promoting the well-being of individuals and communities by providing fair opportunities, improving the quality of life, and supporting social growth.



➤ Governance:

Ensures effective and transparent management of institutions, focusing on accountability, adherence to ethical standards, and ensuring informed decisions that support long-term sustainability. This integrated concept forms a fundamental approach to building a sustainable future for generations to come and enhancing trust between companies and stakeholders.



➤ Objectives of Environmental, Social, and Governance Sustainability (ESG)

The Sustainable Development Goals (**ESG**) were established by the United Nations on September 25, 2015. During the United Nations Sustainable Development Summit in New York, all member states (193 countries) agreed on these goals as a global framework to improve life on Earth, eradicate poverty, and ensure the sustainability of environmental, economic, and social resources. These goals include 17 objectives that seek to address global challenges, ranging from eradicating poverty and promoting equality to protecting the environment and promoting peace and justice.



➤ Social Responsibility in the Kingdom's Vision.

Social responsibility, according to the vision of the Kingdom of Saudi Arabia, is a cornerstone of the national sustainable development roadmap. This responsibility, in this prosperous era under the leadership of the Custodian of the Two Holy Mosques and His Royal Highness the Crown Prince, may God protect them, receives special attention stemming from the Kingdom's Vision 2030, which seeks to build an ambitious nation.

This vision is based on three main pillars: a vibrant society, a thriving economy, and an ambitious nation. Each of these pillars includes a set of commitments and objectives that enhance social responsibility and contribute to achieving sustainable development.

Vibrant society



Thriving economy



Ambitious nation



Chapter 2

Aldrees, Environmental Sustainability Practices.





Aldrees, Environmental Sustainability Practices.

Aldrees Petroleum and Transport Services Company (Aldrees) places significant importance on environmental sustainability in its operations. Through the implementation of a range of environmental initiatives, the company strives to minimize the environmental impact of its activities. These initiatives revolve around:

Waste Management and Pollution Control

- Utilization of waste compactors.
- Management of solid and liquid waste disposal.
- Management of used oils, batteries, tires, and car washes.

Reduction of Carbon Emissions

- Environmentally friendly and life-enhancing mobile service centers.
- Provision of electric charging services at service centers.
- Provision of biofuel at service centers.
- Vegetation Development and Combating Desertification.

Utilization of Renewable Energy Sources

- Use of solar-powered lighting poles.





Waste Management and Pollution Control:

Utilization of waste compactors.

Stemming from Aldrees, commitment to environmental preservation and the promotion of environmental sustainability, a partnership has been established with a specialized waste management and processing company.

The utilization of waste compactors allows for a significant reduction in waste volume, facilitating more efficient and environmentally friendly disposal methods. Furthermore, this technology contributes to pollution reduction and minimizes the need for large waste compactor areas, thus protecting the environment and conserving natural resources.

Through this initiative, Aldrees seeks to enhance community awareness of the importance of environmental sustainability and encourage responsible environmental practices to ensure a better and more sustainable future for all.

711
containers

158
compactors





Waste Management and Pollution Control:

Management of solid and liquid waste disposal.

To dispose of solid and liquid waste from station sites, Aldrees has established a specialized department for the treatment of waste generated by the stations, ensuring effective and sustainable waste management, promoting environmental preservation, and adhering to the highest health and safety standards.

The services provided include the collection, transportation, and treatment of solid and liquid waste using advanced and safe methods, ensuring the minimization of environmental impact and the conservation of natural resources. Aldrees is also committed to utilizing the latest technologies and equipment to guarantee the safe disposal of waste in accordance with stringent environmental regulations.





Management of Used Oils, Batteries, Tires, and Car Washes:

Contract between Aldrees Petroleum Services and Transportation Several Companies for the Collection of Waste Petroleum Materials: A Step Towards Environmental Sustainability

As part of ongoing efforts to achieve environmental sustainability and maximize economic returns from waste management, a strategic partnership contract has been signed between Aldrees Petroleum and Transport Services (Aldrees) and several companies specializing in the collection of waste petroleum materials. This partnership aims to collect, transport, and manage hazardous waste, contributing to environmental protection and promoting economic sustainability in the Kingdom of Saudi Arabia.

Phase One: Management of Used Oils

As a first step in this partnership, the focus has been placed on the collection and management of used oils, which are considered hazardous waste requiring special treatment. This phase aims to minimize the negative impact of these oils on the environment through meticulous collection processes, safe transportation, and effective recycling, contributing to pollution reduction and the conservation of natural resources.

Future Plans: Tires, Batteries, and Car Washes

This step does not stop at used oils but extends to future plans that include the treatment of tires and batteries, which are also considered waste requiring special management to minimize their environmental impact. In addition, efforts will be made to convert car washes from manual to fully automatic, using biodegradable and environmentally friendly detergents, enhancing operational efficiency and reducing the consumption of water and harmful chemicals.





Reduction Risk of Carbon Emissions

Environmentally friendly and life-enhancing mobile service centers. Aldrees has provided mobile service centers that offer numerous environmental benefits, including:

- **Energy Conservation:** Mobile service centers rely on technologies such as solar panels or rechargeable batteries, reducing the consumption of conventional energy and promoting reliance on renewable energy sources.
- **Reduction of Greenhouse Gas Emissions:** Achieved by reducing car trips and improving fuel efficiency.
- **Minimization of Leakage Risks:** Through the use of modern systems and meticulous monitoring.
- **Support for Sustainable Practices:** Such as encouraging the use of electric vehicles and supporting local products.
- **Creation of New Job Opportunities and Improvement of Quality of Life.**

compact
(container)
stations

101





Aldrees, Mobile Service Practices.

Launching Mobile Car Wash and Tire Repair Service to Meet Customer Needs On-Site





Reduction Risk of Carbon Emissions

Provision of biofuel at service centers.

Biofuel, also known as biodiesel, is a renewable and clean fuel used as an alternative to conventional diesel made from fossil fuels. Biodiesel is produced from natural and renewable sources such as vegetable oils and animal fats. Biodiesel is an environmentally friendly option because it produces fewer harmful gas emissions compared to conventional diesel.

Aldrees Petroleum and Transport Services Company (Aldrees) is proud to be one of the first leading companies to embark on the use of biofuel as a clean and sustainable alternative to fossil fuels. The company started operating one Bio Diesel, with an ambitious plan to increase the number of stations in the future, in line with the sustainable development goals of Vision 2030.





Vegetation Development and Combating Desertification.

Aldrees Petroleum and Transport Services Company's Role in Implementing the Saudi Green Initiative

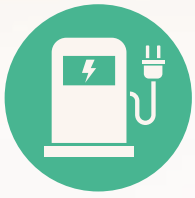
Aldrees Petroleum and Transport Services Company (Aldrees) demonstrates its environmental responsibility by allocating a portion of its budget to support the National Center for Vegetation Cover Development and Combating Desertification initiative. Under this initiative, the company has focused on planting trees and afforestation in designated areas within its service centers, thereby contributing to the expansion of green spaces and combating desertification.

Through this initiative, Aldrees affirms its commitment to social and environmental responsibility and its resolve to be part of the national solutions to environmental challenges. This initiative is not only a step towards environmental improvement but also a call to action for all companies to participate in environmental protection efforts and support sustainable development in the Kingdom.

Kingdom-Wide Initiative Objectives:

- Reduce carbon emissions by 16 million tons.
- Provide nature-based solutions for carbon sequestration and combating climate change.
- Help reduce air pollution and improve air quality by absorbing pollutants.
- Contribute to improving the quality of life.
- Promote sustainable practices using treated wastewater.





Utilization of Renewable Energy Sources

Provision of electric charging services at service centers.

Aldrees has provided electric vehicle charging services at its service centers. This has been achieved by signing agreements with several companies to establish a modern electric vehicle charging infrastructure to expand the use of electric vehicles in the Kingdom and contribute to creating a clean transportation environment.





Utilization of Renewable Energy Sources

Use of solar-powered lighting poles.

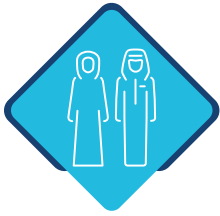
Aldrees has commenced utilizing solar-powered lighting poles at its service centers as part of its commitment to contributing to environmental preservation and promoting sustainability, starting with 27 lighting poles with plans for future expansion. This initiative is a significant step towards **reducing reliance on conventional energy sources and minimizing carbon emissions**. Solar-powered lighting poles provide efficient and environmentally friendly illumination, enhancing the customer experience and increasing operational efficiency. This step aligns with Aldrees' vision **for a greener and more sustainable future** and affirms its leading role in adopting modern and sustainable technologies. At Aldrees, we continuously strive to provide innovative solutions that meet the needs of our community and contribute to protecting our planet.



Chapter 3

Aldrees, Community Service Practices





Report on Aldrees, Community Service Practices.

In 2023, Aldrees implemented diverse programs aligned with community sustainability objectives. These programs aimed to support the community and individuals in the Kingdom of Saudi Arabia to realize their potential in a constructive environment and empower them to grow and develop. These initiatives encompass multiple areas such as health and well-being, and advocacy and guidance. The company has given particular attention to promoting gender equality through women's empowerment programs and providing equal opportunities in all fields of work. Through these initiatives, Aldrees seeks to achieve a sustainable positive impact on society and promote comprehensive development, positively reflecting on the well-being of all.

Diverse Community Initiatives

Initiatives for Company Employees

Initiatives in the Health Sector.

Initiatives in the Cultural Sector

Initiatives towards the Science and Technology Sector

Vocational Development and Training Initiatives

International Humanitarian Relief Initiatives

Initiatives towards Mosques





Aldrees, Community Initiatives

> Founding Day Parade

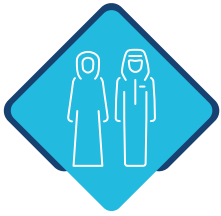
To commemorate **Founding Day**, Aldrees organized a motorcycle and classic car parade as part of the celebratory events. The parade commenced from Al-Ammariyah and proceeded to the **historical city of Harmah**.

This initiative forms part of Aldrees' social responsibility strategy, as the company consistently seeks to support and contribute to the development of local communities. Through this event, the company highlights the importance of positive communication and interaction among community members and the role of companies in supporting activities that promote values of cooperation and belonging.

Aldrees believes in the significance of social responsibility and its positive impact on society and therefore continues to provide support and participate in activities that contribute to sustainable development. Through its participation in such events, the company aims to build strong and sustainable relationships with the local community and foster a spirit of unity and national pride.

At the conclusion of the visit, Aldrees renewed its commitment to social responsibility, emphasizing its continued support for initiatives and events that enhance social cohesion and contribute to the development of local communities. The company thanks all those who contributed to the success of this event and looks forward to more events that benefit everyone.





Aldrees, Community Initiatives

➤ Silver Sponsor of "Ikh'aa Nights" for the Charitable Foundation for the Care of Orphans

Through this sponsorship, Aldrees affirms that social responsibility is not merely an obligation but an integral part of its mission and corporate values. This sponsorship represents a step within a series of initiatives aimed at achieving sustainable development and building a better future for generations to come.



➤ Diamond Sponsor for Supporting King Saud University's Initiative to Participate in Serving Pilgrims - Hajj Season 1444 AH

Aldrees is proud of its participation in charitable and social initiatives, where it contributed to supporting preventive measures to protect pilgrims at the Grand Mosque and the holy sites. In this context, the King Saud University volunteer team participated in distributing umbrellas to pilgrims, aiming to provide them with the necessary protection from the sun and ensure their comfort during the performance of Hajj rituals. This initiative falls within the company's efforts to promote social responsibility and contribute to serving the community.





Aldrees, Community Initiatives

➤ Empowering Women and Their Vital Role

Aldrees believes in the importance of empowering women and their vital role in achieving success and sustainability, in line with and in fulfillment of the Saudi Vision 2030. Through our social responsibility policies, we strive to provide a work environment that encourages gender equality and promotes women's participation in all roles and levels within the company.

We are committed to enhancing the representation of women in all departments and specializations and work to provide equal opportunities for training and professional development. Strengthening the role of women in the company contributes to enhancing innovation and diversity of opinions and reflects the diversity that distinguishes us and enhances our competitiveness in the market. It also strengthens our social and economic pillars and contributes to building a brighter and more sustainable future for all.

Employee Report Statistics

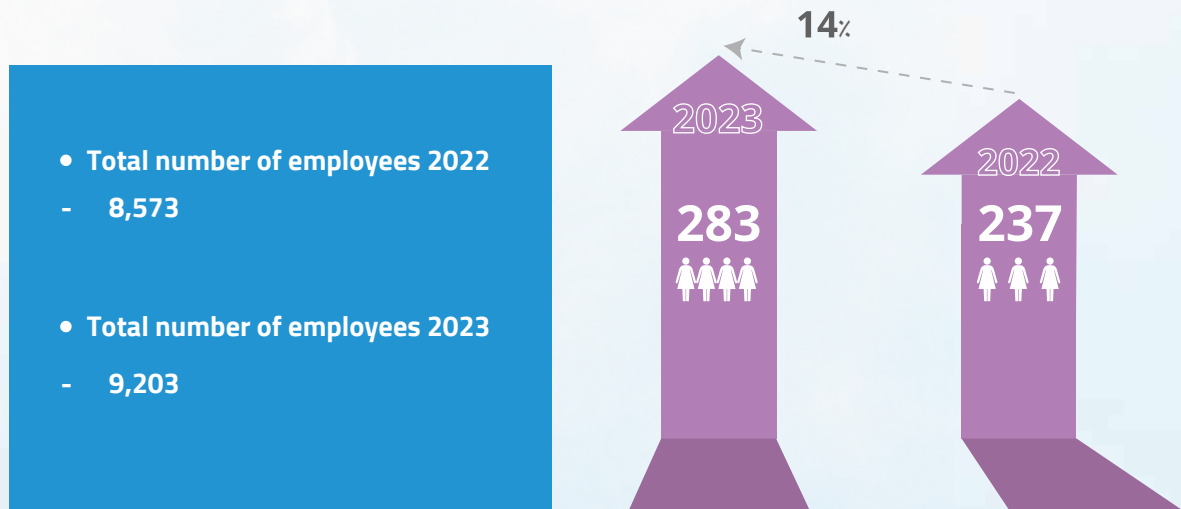
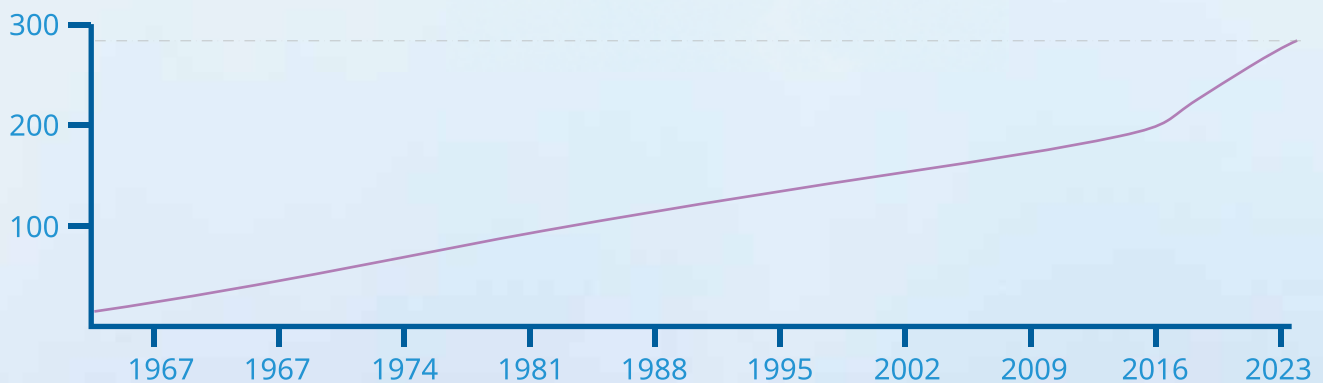


Chart illustrating the percentage of female employees in past years





Aldrees, Community Initiatives

➤ Employing People with Disabilities

Aldrees has been an early advocate for the integration of citizens with disabilities into society through several initiatives, foremost among which is providing equal opportunities for employing people with disabilities in jobs that their disabilities do not prevent them from performing, to achieve the principle of fairness. Aldrees has provided numerous opportunities for people with disabilities to work at various functional levels across its diverse specializations.

28
Employees



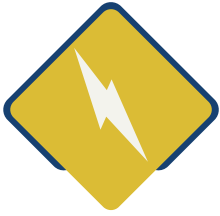


Aldrees, Community Initiatives

Provision of Air Compressor and Water Pump Free of Charge at All Aldrees Stations

Within the framework of its corporate social responsibility, Aldrees has commenced equipping its stations with air compressors and water pumps. This initiative aims to provide complimentary supplementary services to customers, thereby enhancing their well-being and contributing to an improved experience at the stations. This step forms part of Aldrees' commitment to delivering superior services and supporting the local community by providing for its essential needs in convenient and innovative ways, striving to reinforce its societal role and contribute to elevating the level of service for citizens.





Aldrees, Community Initiatives

> Collaboration with Official Entities

Aldrees has contributed to organizing workshops with the Ministry of Energy, aiming to enhance electronic services and offer insights and proposals based on its extensive experience in this sector. These workshops aim to bolster user experience and increase efficiency in electronic licensing procedures. Through these workshops, the Ministry of Energy's new electronic platform was launched in an enhanced format, ensuring a seamless and integrated user experience.

Workshop Outcomes

1- Enhanced User Experience:

- Evaluation of the current website.
- Identification of user-encountered issues.
- Efforts to improve the user interface for increased ease of use and seamlessness.

2. Enhanced Efficiency:

- Simplification and acceleration of licensing procedures through complete digital transformation.
- Reduction in the time required for license issuance.

3- Performance Analysis:

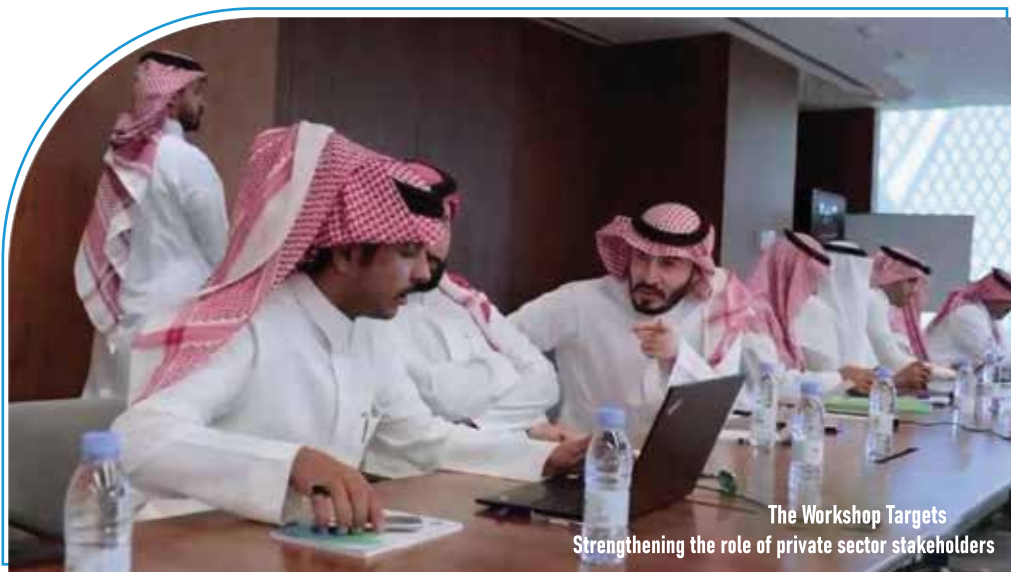
- Providing practical insights on website improvement based on direct interaction with the system.

4- System Testing

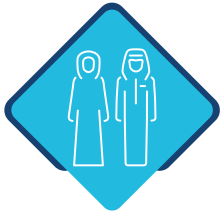
- Assisting in testing the new platform and ensuring it meets actual user needs before full launch.

5- Knowledge Sharing

- Offering case studies and practical examples from previous experiences in developing similar electronic systems.



The Workshop Targets
Strengthening the role of private sector stakeholders



Aldrees Company's Initiatives Towards its Employees

➤ Employee Recognition

Employee recognition is a fundamental factor in motivating employees and increasing their job satisfaction, contributing to enhanced corporate social responsibility within the company. This recognition fosters team spirit and encourages positive performance, reflecting the company's commitment to its employees' well-being and increasing their loyalty and belonging. Furthermore, it contributes to attracting new talent and improving the company's image as a preferred workplace, making recognition a strategic investment that leads to improved overall performance and a balance between economic and social objectives.



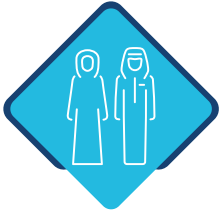
➤ Recognition of Outstanding Service Center Employees

Presentation of awards and certificates of appreciation to outstanding station employees. Organization of recognition events to motivate employees towards exceptional performance. Fostering a spirit of positive competition among employees and encouraging them to perform at their best.

Respecting employee rights and ensuring a discrimination-free work environment.

Adherence to policies of fairness and equality in dealing with all employees.





Aldrees Company's Initiatives Towards its Employees

➤ Prohibition of Work Under Direct Sunlight in Summer: A Step Towards Social Responsibility

The Ministry of Human Resources and Social Development, in coordination with the National Council for Occupational Safety and Health, announced the end of the designated period for implementing Ministerial Resolution No. 3337, issued on 15/7/1435 AH, which prohibits working under direct sunlight for all establishments.

This decision comes within the framework of the Ministry and the Council's keenness to preserve the health and safety of workers and ensure the provision of a healthy and safe work environment that complies with occupational safety and health standards.

Aldrees Company has also begun implementing the ministerial resolution by prohibiting work under direct sunlight at all private sector establishments from 12 noon to 3 pm, starting from Thursday, June 15th, until the end of Friday, September 15th.





Initiatives in the Health Sector.

➤ Support for "Qalbi" Association for Heart Patients

Aldrees Company has reinforced its commitment to social responsibility through its support of the "Qalbi" Association for the care of heart patients, contributing to improving the quality of healthcare and providing support to patients and their families to build a healthy and sustainable community.

This initiative reflects Aldrees' commitment to promoting health and well-being in society and providing support to social institutions to achieve social sustainability.

The company affirms its effective role in achieving well-being and sustainable development for the communities it serves.



➤ Support for the "People with Disabilities" Association



The gifted children in the association express their appreciation and gratitude to Al Drees



To «
For her nurturing of the Children's Drawings and Creative Works program.





Initiatives in the Health Sector.

➤ Childhood Cancer Patients Initiative

Stemming from its social responsibility towards the community, Aldrees Company strives to support the most vulnerable groups and bring joy to their hearts. On International Childhood Cancer Day, in coordination with the "Ams" Association, a volunteer team from the company initiated a meeting with children with cancer, driven by the company's eagerness to bring them happiness and share the joy of Eid al-Fitr by providing gifts and recreational activities that brought smiles to the children's faces and instilled hope and optimism.





Initiatives in the Cultural Sector

➤ Support for Cultural Initiatives Abdullah bin Idrees Cultural Center

Aldrees Company supported the Abdullah bin Idrees Cultural Center, striving to provide an incubator in recognition of the efforts of intellectuals, disseminating their work, motivating their peers, and highlighting the cultural movement in the Kingdom for advisory cultural initiatives. It provided consultations and intellectual support, acting as a bridge between these initiatives and relevant entities, both locally and internationally.



Support for the Abdullah bin Idrees Cultural Award

Within the framework of social responsibility, Aldrees Company supports the Abdullah bin Idrees Award, may he rest in peace, with the aim of celebrating his prominent cultural legacy and encouraging intellectuals in various cultural fields to contribute their creations to enrich this field with original works that enhance Arab culture and strengthen its global standing. The award is announced periodically, with a specific cultural field being selected for each cycle. This year, the field of poetry was chosen as the subject of the competition, in line with the Saudi Ministry of Culture's declaration that 2023 will be the year of Arabic poetry.





Initiatives in the Cultural Sector

> Aldrees Company Organizes a Visit for Veteran Players and Media Professionals to "King Abdulaziz Camel Festival"



Aldrees Company organized a visit for several veteran players and media professionals to the King Abdulaziz Camel Festival, amidst Aldrees' warm hospitality, where all the festival's facilities were visited.

The guests expressed their deep gratitude and appreciation to Aldrees Company for the warm welcome and generous hospitality, which reflects the spirit of giving and nobility in dealing with guests, confirming its true commitment to promoting cultural and social communication in the local community and reinforcing its position as a leading company in supporting cultural and social initiatives.

> Rally Race

In furtherance of its commitment to community support and the promotion of sports, Aldrees Petroleum and Transport Services Company (Aldrees) sponsored **the Wadi Al-Meshqer Rally Race in Al-Majma'ah Governorate.**

This initiative aims to promote sports and entertainment activities in the region, and provide a platform for competitors to showcase their skills in a safe competitive environment. Aldrees Company's sponsorship of this event reflects its commitment to social responsibility and its keenness to participate effectively in the development of the local community.



**Player Mohammed
Al-Dahsh Al-Tuwaijri**



Initiatives in the Science and Technology Sector.

Supporting Saudi Pioneers Towards Space

Aldrees firmly believes in the importance of supporting innovation and scientific advancement. Therefore, it proudly supports Saudi pioneers in their pursuit of space exploration by providing financial and logistical assistance. Aldrees seeks to foster the aspirations of Saudi youth in exploring space and achieving new milestones that will place the Kingdom among the leading nations in this field. This initiative forms an integral part of our commitment to contributing to societal development and enhancing Saudi Arabia's global standing. At Aldrees, we consider investment in science and technology a cornerstone for building a sustainable and prosperous future.



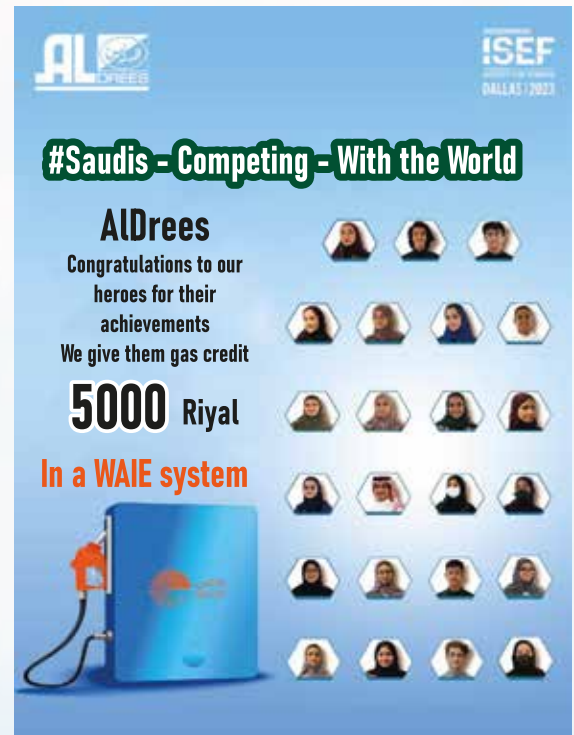


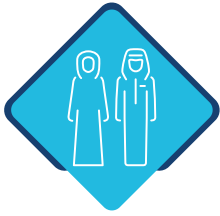
Initiatives in the Science and Technology Sector.

Supporting Winning Students at ISEF 2023

Aldrees is proud to support ambitious Saudi youth competing globally at the 2023 International Science and Engineering Fair (ISEF). By providing 5,000 Saudi Riyals through the Waa'i platform, Aldrees empowers Saudi students to showcase their innovations and creativity on an international stage, thereby enhancing the Kingdom's position in the fields of science and engineering. This initiative aligns with the company's commitment to supporting education and scientific research and its continuous pursuit of strengthening national capabilities and enabling them to compete globally.

At Aldrees, we believe that investing in youth is investing in the future, and we are proud to support the brilliant minds who represent Saudi Arabia with pride on the international stage.





Community Service Initiatives

In 2023, Aldrees implemented diverse programs aligned with the Sustainable Development Goals and social responsibility, in accordance with the Kingdom's Vision 2030. These programs aim to support the community and individuals within the Kingdom of Saudi Arabia to realize their potential in a constructive environment and empower them for growth and development. These initiatives encompass various areas such as health and well-being, Da'wah (Islamic outreach) and guidance. The company has given particular attention to promoting gender equality through women's empowerment programs and providing equal opportunities in all areas of work. Through these initiatives, Aldrees strives to achieve a sustainable positive impact on society and promote comprehensive development, positively reflecting on the well-being of all.

➤ Key Community Service Initiatives

Social Service Ibn Al-Qayyim Mosque for Quran Memorization	Support for Cultural Initiatives 	Participation in the Hajj Season 1444 	Brotherhood Nights 
Participating with the Guests of Rahman during Hajj Season 	Albaqer Center for Daycare for People with Disabilities 	Supporting the Annual Ceremony 	Supporting the Youth of Shaqra Governorate Organizing the Tournament
Supporting the Da'wah, Guidance and Community Awareness Association in North Riyadh 	Supporting National Day Celebration Events Initiative by the Education Department of Al-Majma'ah Governorate	Walkers Program Harmah City Association	Supporting Outstanding Students General Directorate of Education in Al-Malaz
Providing Care for the Association's Children Disabled Children's Association	Umrah Season Ramadan 1444 	Supporting the Disabled Children's Association Second Al-Artawiyah Heritage Festival	



Community Service Initiatives

Key Mosque Care Initiatives

Mosque Care Association 	Memorization Circles and Women's Role Program 	Quran Memorization Program Ibn Al-Qayyim Mosque for Quran Memorization
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Key Initiatives Outside the Kingdom:

Sahem Platform for Earthquake Victims in Syria and Turkey 	Supporting the Ehsan Platform 
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Community Service Initiatives

Donations to Patients and the Needy Donations to Patients and the Needy	Supporting People with Disabilities Adwaa Al-Khair Association	Supporting Quran Memorization Participation in the Quran Memorization Program	Ajyal Ramadan Club 11 Development Association in Harmah City
Supporting the Association's Vehicles Da'wah, Guidance and Community Awareness Association in Al-Badi'ah District	Akhlaqna Association for Promoting Values Qiyam Academy Support for Participants	Supporting Fuel Cards Da'wah, Guidance and Community Awareness Association in North Riyadh	Supporting 21 Waa'i Cars Khayrat Association for Preserving Blessings
Quran Memorization Complex Disabled Children's Association	Supporting a Social Financial Amount Al-Faisaly Club in Harmah City		



Aldrees, Community Service Practices

➤ Granting Commercial Franchises to Support Small and Medium Enterprises (SMEs) in the Fuel Station Sector

As part of its commitment to social responsibility and supporting the local economy, Aldrees announced the commencement of granting commercial franchises as the first trademark in the fuel station sector. This move implements the cooperation agreement between the Ministry of Energy and the General Authority for Small and Medium Enterprises (Monsha'at) and aims to empower trademarks operating in this sector and enhance growth and investment opportunities for SMEs.

Aldrees has begun presenting investment opportunities through the franchise platform, providing SMEs

with the chance to benefit from this model and expand their business scope, contributing to achieving sustainable development and supporting the national economy.





Aldrees, Training and Professional Development Practices.

> Professional Training and Development

Aldrees Petroleum and Transport Services Company (Aldrees) has announced the commencement of a strategic partnership with Saudi universities. This initiative aims to bridge the gap between academic education and the practical experience students encounter in their professional lives. The partnership will provide cooperative training opportunities for students at Aldrees within a timeframe agreed upon by both the university and the company.

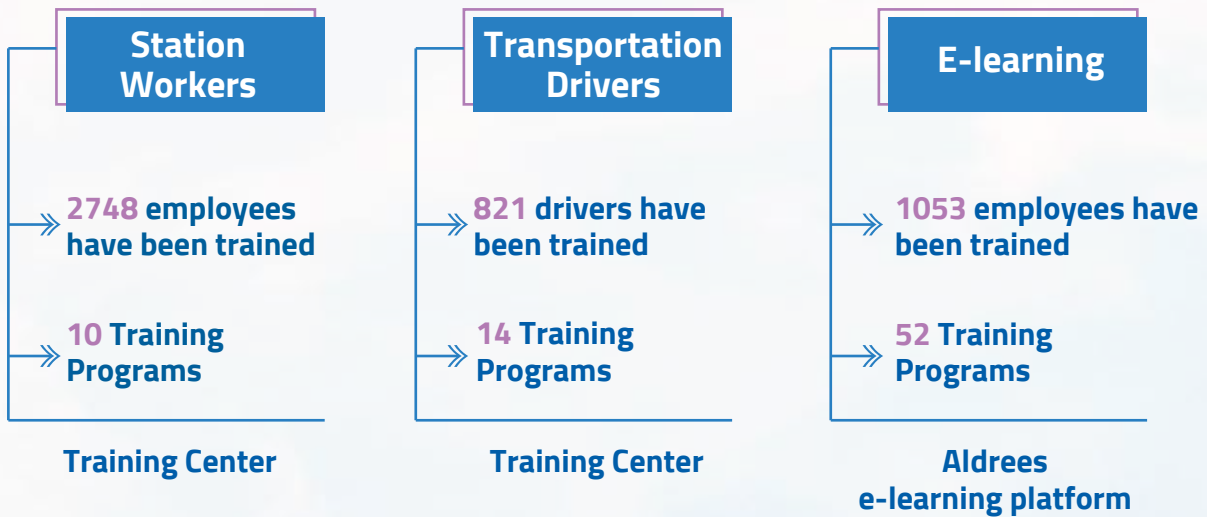
This represents a significant step towards enhancing student awareness and better preparing them for the job market by leveraging Aldrees' extensive expertise. It also seeks to broaden students' horizons and deepen their understanding of the economy's role in societal progress and national prosperity.





Aldrees, Training and Professional Development Practices.

> Training and Development Report 2023



Chapter 4

Governance





Governance

Aldrees places corporate governance at the core of its operations. The company is committed to ethical standards and transparency, ensuring sustainable growth and performance across all aspects of its business. This governance report provides a detailed review of Aldrees' governance policies, covering stakeholder relations management, legal compliance, anti-corruption measures, risk management, and corporate evaluations.

1

Board of Directors

2

Transparency, Disclosure and Business Ethics

3

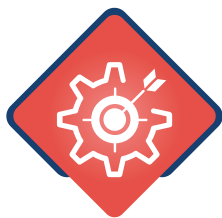
Risk Management and Compliance with International Standards

4

Shareholder Rights and Fair Treatment

5

Evaluation, Quality and Safety Standards



Board of Directors

Board of Directors:

Aldrees is managed by a Board of Directors composed of executive and non-executive members to ensure balanced perspectives. The Board is responsible for overseeing the company's strategic direction, managing risks, and ensuring that company practices align with shareholder interests and **(ESG)** objectives.

The Board comprises experts and professionals with diverse backgrounds in business, finance, and sustainability Governance. Non-executive members, defined as those not holding executive management positions within the company, must constitute the majority of the Board. Independent members must comprise no fewer than two members or one-third of the Board, whichever is greater.

Board Committees:

The Board is supported by specialized committees, such as the Executive Committee, the Audit Committee, and the Nominations and Remuneration Committee, which focus on **(ESG)** risks and opportunities.

The Board of Directors forms specialized committees according to general procedures it establishes. These procedures define each committee's mission, term, and authorized powers during that term, as well as how the Board oversees them. Committees must transparently report their findings and decisions to the Board, which, in turn, must regularly monitor these committees to verify the execution of their assigned tasks. Committees must have no fewer than three and no more than five members. Committee chairs, or their designated representatives, must attend general assemblies to answer shareholder questions. The committees are: Audit Committee, Nominations and Remuneration Committee, and Executive Committee.

Board Independence:

Aldrees ensures that the majority of its Board members are independent, mitigating conflicts of interest and guaranteeing integrity in decision-making. This independence is crucial for effective management oversight and the protection of shareholder interests.



Disclosure and Transparency Practices

Transparency is a fundamental principle of sound governance at Aldrees. It plays a vital role in fostering trust and credibility between the company and its various stakeholders. Aldrees is committed to regularly and accurately disclosing all financial and administrative activities and decisions that impact its operations and future performance. Details regarding transparency in various Aldrees reports are outlined below:

Transparency in Aldrees, Reporting

➤ 1- Financial Reports

Aldrees adheres to International Accounting Standards, providing transparent financial reports, including:

Quarterly and Annual Financial Reports: Financial data, including the balance sheet, income statement, and cash flow statements, are disclosed regularly. These reports are published on the company's website and the Tadawul platform, allowing shareholders and stakeholders to assess Aldrees' financial performance.

➤ 2- Board of Directors, Reports

Aldrees discloses significant Board activities and decisions regularly through detailed reports included in the company's annual report. These reports cover:

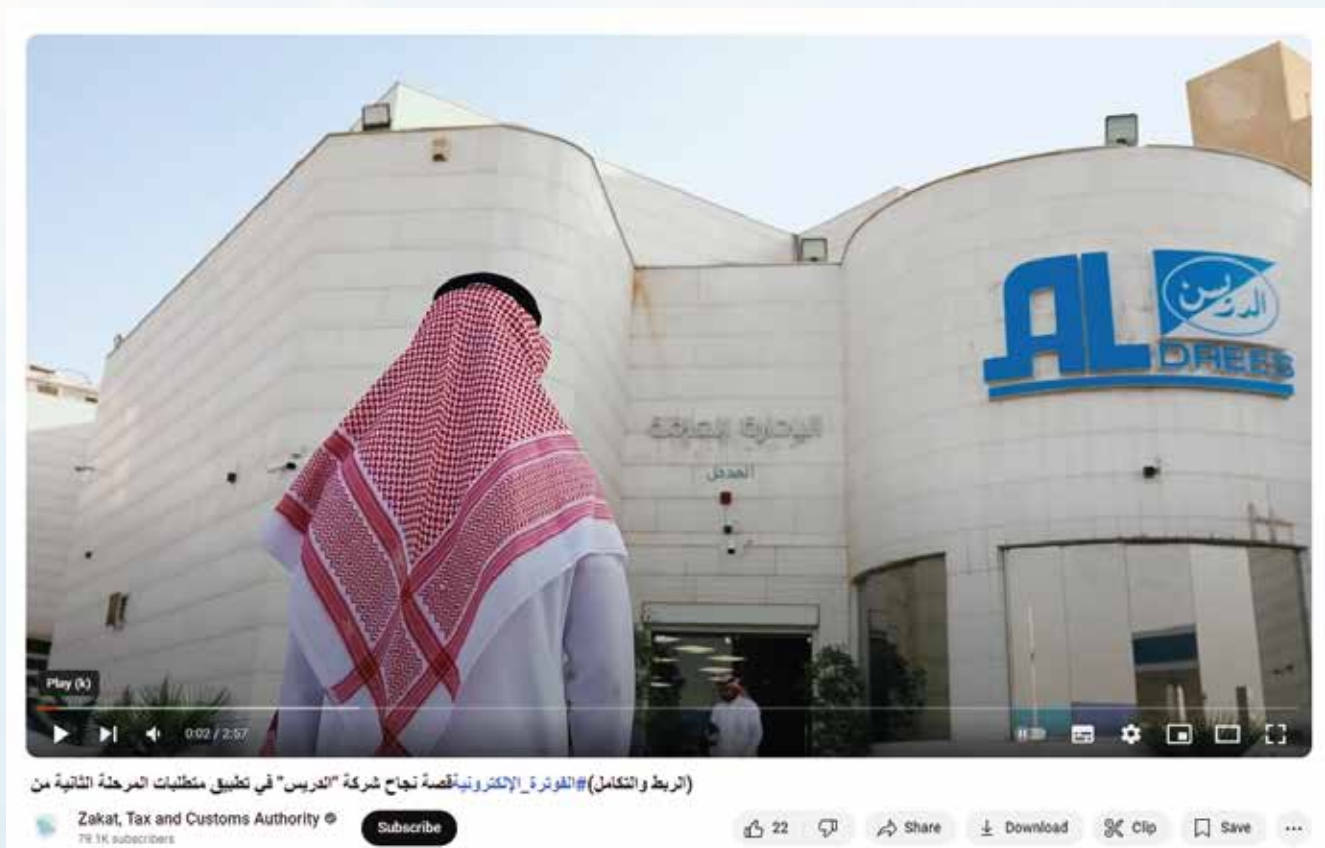
- **Board Structure:** Disclosure of current Board members, their backgrounds, expertise, and roles in the company's strategic decision-making.
- **Board Meetings:** Disclosure of the number of meetings held during the year and a summary of key decisions made, including the company's strategic directions and future plans.
- **Specialized Committees:** Disclosure of the activities of various committees within the company, such as the Audit Committee and the Governance Committee. . These committees' reports are presented in the annual report to promote transparency in critical decision-making.



Disclosure and Transparency Practices

➤ Al-Drees Company: A Pioneer in Implementing Phase Two of E-Invoicing

Al-Drees Company has been recognized as a leading example and among the first companies to implement Phase Two of the E-Invoicing system. This recognition is based on an official video published by the Zakat, Tax and Customs Authority (**ZATCA**) on their official YouTube channel. Al-Drees Company has diligently ensured its position as one of the earliest adopters of the second phase of the E-Invoicing system. This system facilitates the meticulous documentation of commercial transactions and the direct transmission of invoices to ZATCA, thereby enhancing the transparency of financial operations and mitigating opportunities for manipulation or tax evasion.





Disclosure and Transparency Practices

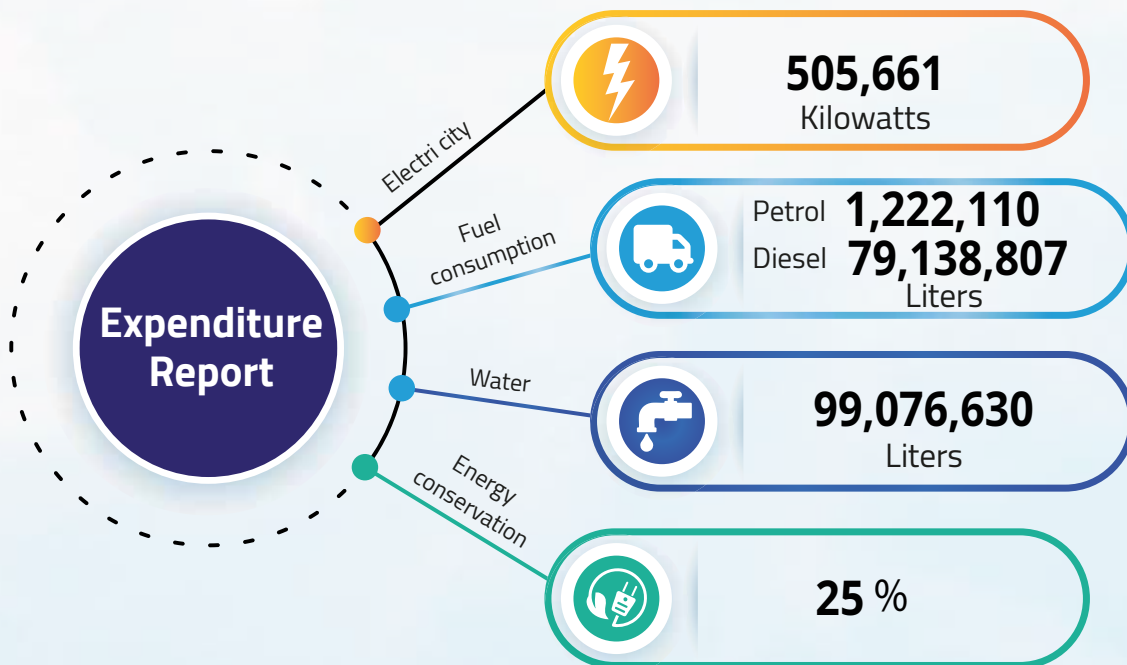
> Report on Electricity, Logistics, Transportation, Water, and Wastewater Services

The submission of a comprehensive report concerning electricity, water, and wastewater services is of paramount importance for companies striving to demonstrate their commitment to social responsibility and sustainable development. This importance stems from the following considerations:

Resource Efficiency: Consumption of electricity, Fuel consumption, water, and wastewater can be measured to identify areas for efficiency improvements and minimize environmental impact.

Impact on the Community: The impact of service interruptions or sanitation issues on the local community can be assessed.

Compliance with Standards: Adherence to all environmental and health standards pertaining to the provision of these services can be verified.



• The figure shows details of annual expenses and consumption for the year 2023





Risk Management and Compliance with International Standards

Al-Drees Company has undertaken to identify and analyze potential risks that could affect its operations and strategic objectives. Furthermore, the company seeks full compliance with all applicable laws and regulations governing its activities. The following are examples of risk management and regulatory compliance within Al-Drees Company:

➤ Operational Risk Practices

The Maintenance and Operations Department at Al-Drees Company implements the highest international standards for managing operational risks associated with the operation of its extensive network of service centers. Operational risk management includes the management of establishing new service centers and risks arising from fuel or energy leaks.

1- Electrical Extension Risk Practices

Utilization of dual electrical extensions equipped with sensors characterized by the detection and prevention of any leakage that may occur within the extensions during operation.

2- Utilization of an Integrated System of Sensors, Spill Containment Vessels, and Vapor Recovery

Aldrees Petroleum and Transport Services Company utilizes sensors and spill containment vessels as fundamental measures to enhance safety and mitigate operational risks within its service centers. The sensors facilitate early leak detection through monitoring fuel and chemical levels, thereby minimizing human error and collecting precise data to support decision-making. Concurrently, spill containment vessels are designed to contain leaks and mitigate environmental impact, with personnel trained in their effective utilization. These measures contribute to a swift incident response, reflecting the company's commitment to environmental protection and employee safety.





Risk Management and Compliance with International Standards

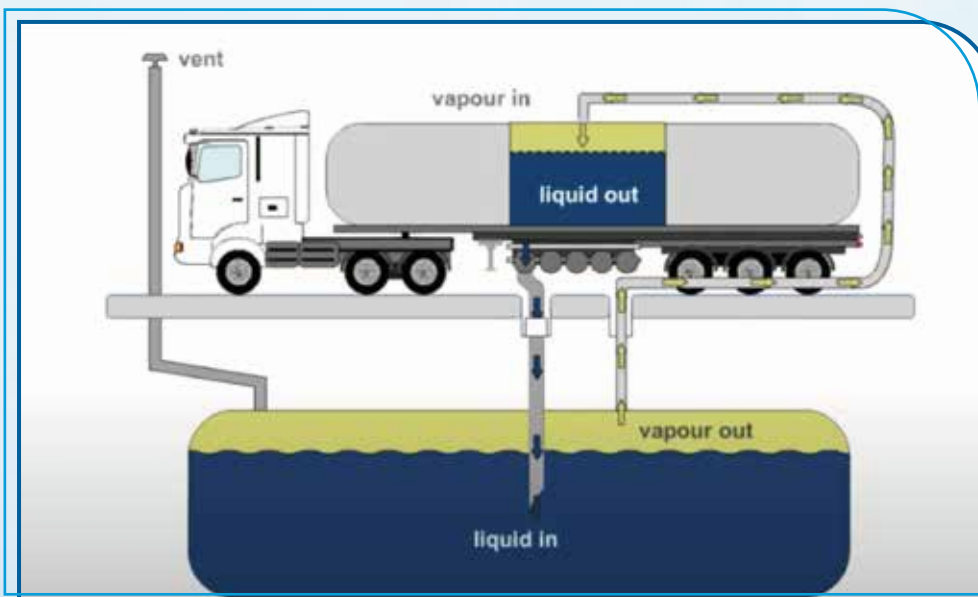
3- Utilization of an Advanced Vapor Recovery System

Installation of the vapor recovery system has commenced in six (6) service centers, and efforts are underway to implement it across all centers. The advanced vapor recovery system detects vapor levels resulting from discharge operations using sophisticated sensors, directing the vapors to a recovery unit where they are condensed and converted into liquid, thereby minimizing loss.

The recovered liquid is stored in designated tanks and can be reused or processed. The system operates automatically to ensure a rapid response to any fluctuations in vapor levels and provides periodic reports for performance analysis. Furthermore, it integrates with other operations and undergoes regular maintenance to ensure its efficiency and reliability.

Advantages of Utilizing the Advanced Vapor Recovery System:

- The system contributes to the reduction of harmful vapor emissions into the atmosphere, thereby assisting in maintaining air quality and mitigating environmental pollution.
- It minimizes risks associated with vapor release during discharge operations, thus enhancing employee safety and the surrounding environment.
- It contributes to the improvement of discharge operations through vapor recovery, leading to loss reduction and increased operational efficiency.
- It reinforces compliance with environmental regulations and relevant legislation, thereby reducing legal risks and potential penalties.





Risk Management and Compliance with International Standards

> Maintenance of the External Appearance of Service Centers

The exterior painting of stations and the upkeep of their appearance and pavements constitute a fundamental component of urban environment enhancement efforts and the promotion of public spaces' attractiveness. This endeavor contributes to a better user experience and reflects the stakeholders' commitment to social responsibility towards the community. The improvement of the exterior appearance enhances aesthetic value and creates a more welcoming and comfortable environment for all.



> Automatic On/Off Timer

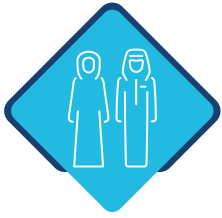
Provision of emergency disconnect switches within fuel stations, as per Chapter 33 of the Saudi Building Code (SBC-801), for the purpose of disconnecting electricity in emergency situations from fuel distribution systems. This includes: pumps, electrical and electronic circuits, associated control circuits, and all electrical equipment located within the hazardous area. These switches must be positioned at a distance of no less than six (6) meters and no more than fifteen (15) meters from the fuel dispensing devices they serve. They must be in an approved and clearly visible location, easily accessible without obstruction, with directional signage indicating the switch. Signage must be installed in approved locations, inscribed with "EMERGENCY FUEL SHUTOFF"





Shareholders, Rights

1. Shareholders, as owners of the company, enjoy fundamental rights, including the following:
 - a. Attending shareholders' general assembly meetings and exercising voting rights.
 - b. Transferring or assigning shares.
 - c. Obtaining information about the company regularly and on schedule to exercise their rights. The company must provide the information requested by shareholders with utmost integrity.
 - d. Electing or removing members of the Board of Directors.
 - e. Receiving company profits.
2. As owners of the company, shareholders' fundamental rights cannot be revoked or restricted, even through the company's articles of association, the shareholders' general assembly, or decisions made by the Board of Directors.
3. To protect shareholder rights, they are entitled to access sufficient information regarding decisions related to material changes within the company, which will be decided upon during shareholders' general assembly meetings, such as:
 - a. Amendments to the company's articles of association.
 - b. Issuance of additional shares or authorization to issue them.
 - c. Extraordinary transactions, including the transfer of all or a substantial portion of assets, which effectively constitutes a sale of the company.
 - d. Reducing or Increasing capital.
4. Shareholders have the right to actively participate in shareholders' general assembly meetings and exercise their voting rights. They must be fully informed of all rules, including the procedures for voting on general assembly resolutions, with utmost precision.
5. Shareholders have the right to vote in person or by proxy, with both methods having the same effect.
6. Shareholders should be afforded the opportunity to pose questions to any members of the company's Board of Directors, including questions related to the annual external audit, in addition to adding items to the agenda of general meetings and proposing resolutions, albeit subject to certain limited restrictions.
7. Any plans for remuneration of company Board members or employees, which include an equity stake (such as employee stock option grants), should be presented to shareholders for approval.



Evaluation, Quality and Safety Standards

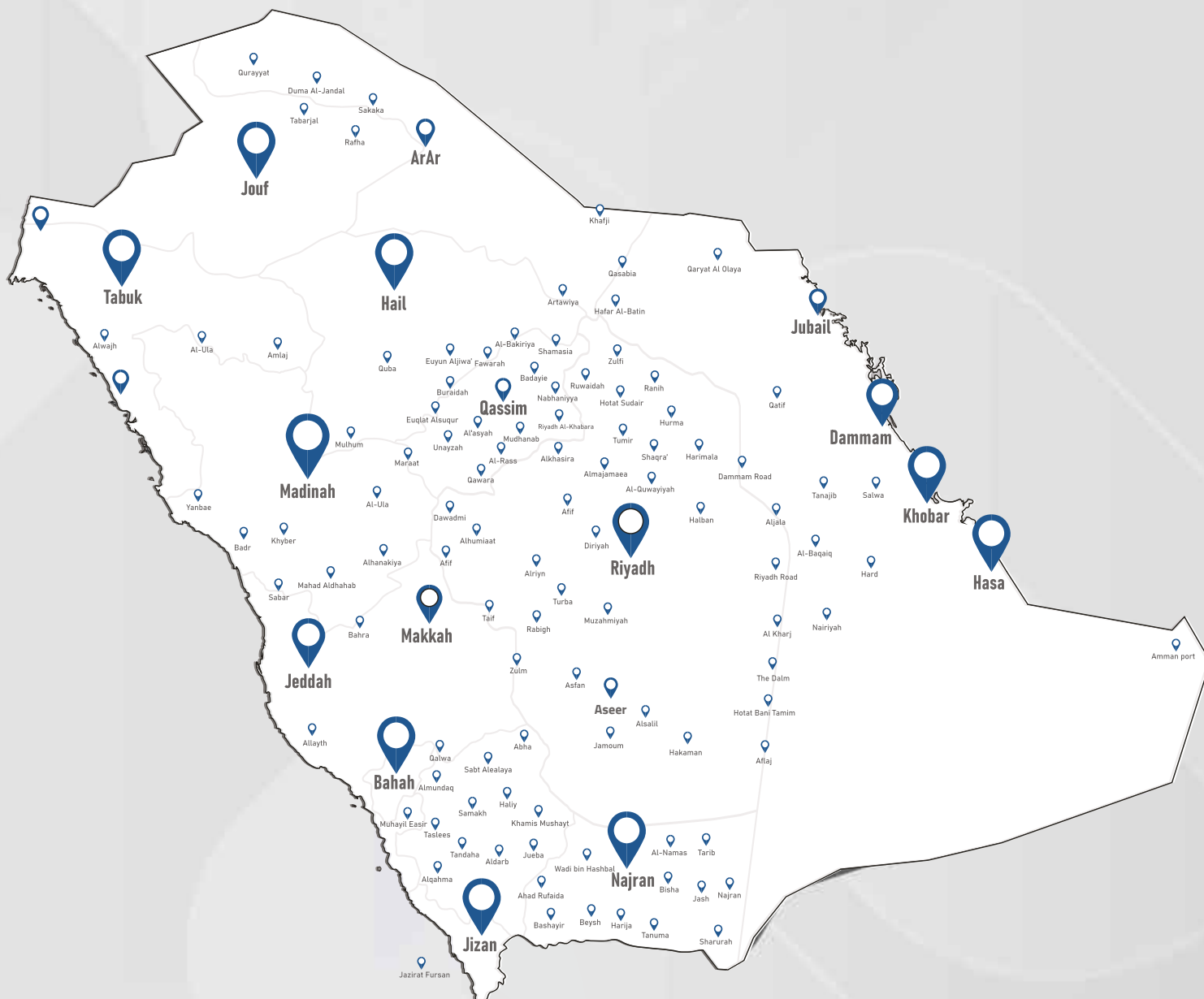
Aldrees Petroleum and Transport Services Company is considered a leading company in achieving the highest quality and safety standards in its operations. Over the past years, the company has pursued obtaining accredited international certifications in the fields of quality, safety, environment, and responsible care, and was among the first companies to receive recognition from specialized international organizations in these areas.

In addition, the company has obtained a cybersecurity compliance certificate and a facility qualification certificate for the management, operation, and maintenance of fuel stations and service centers from the Ministry of Energy in the Kingdom of Saudi Arabia, further affirming its continuous commitment to implementing the highest standards in all its operations.



NUMBER OF SERVICE CENTERS FOR 2023

ACROSS THE KINGDOM: 850



➤ Report Conclusion.

In conclusion, the Aldrees Environmental, Social, and Governance (ESG) Sustainability Report has highlighted the company's steadfast commitment to promoting community and environmental sustainability through a comprehensive vision of implemented initiatives, reflecting its dedication to developing sustainable practices that contribute to a positive impact at all levels.

Partnership with the community, employees, and partners is essential in this journey, as Aldrees strives to build strong relationships that support its ambitious goals. This collaboration emphasizes the importance of teamwork in addressing challenges and creating a stimulating and encouraging work environment.

Aldrees Petroleum and Transport Services Company looks towards the future with open eyes, committed to embracing innovation and exploring new opportunities that contribute to enhancing sustainability. The pursuit of excellence in environmental, social, and governance sustainability affirms the earnest ambition to leave a lasting positive impact, contributing to a better future for generations to come.





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UNIFIED NUMBER

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