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Enhancing Impact through Sustainable Growth, Operational Excellence and Value Creation

2018 Arabian Drilling Company
Sustainability Report





King Salman Bin Abdulaziz Al Saud
Custodian of the Two Holy Mosques



Prince Mohammed Bin Salman Bin Abdulaziz Al Saud
Crown Prince and Deputy Prime Minister
and Minister of Defense

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2018 SUSTAINABILITY AT-A-GLANCE

In 2018, we built upon our strong foundation, achieving unprecedented growth and expansion of our fleet and workforce while maintaining and strengthening our sustainability efforts. All ADC staff played a key role in helping ADC make history in 2018. The awards, recognition and customer appreciation received are reflective of the hard work, dedication and commitment to sustainability of our people. Together, we will continue to ensure sustainability excellence as ADC steps into 2019 and beyond.

AWARDS & RECOGNITION



IKTVA EXCELLENCE AWARD
BEST IN SAUDIZATION
(3rd Consecutive IKTVA Award)



KING KHALID RESPONSIBLE COMPETITIVENESS AWARD
Ambassador for the 2018 King Khalid Award for Responsible Competitiveness

ABOUT THIS REPORT

ADC is pleased to publish our second annual sustainability report. This report highlights our approach, performance and achievements in 2018 that have been accomplished by Growing Sustainably, Achieving Excellence in Operations and Creating Social and Environmental Value. ADC's historic growth in 2018 has strengthened our commitment to sustainability and impact creation and demonstrated its benefits, as detailed in the following pages.

ADC owns and operates onshore and offshore drilling rigs across the Kingdom of Saudi Arabia and the Partitioned Zone with Kuwait. As we continue to expand into new markets and territories, it will be more important than ever to report on our sustainability strategy, initiatives and gains. Against the benchmark established in last year's inaugural report, as well as international frameworks and standards, we are committed to transparently communicating our sustainability progress with all stakeholders, including our employees, customers and shareholders, as well as our industry as a whole.

This report covers all of ADC's operations during 2018, including rigs and corporate offices. A summary of our alignment with the Core option of the Global Reporting Initiative (GRI) Standards can be found in the GRI Index on page 65.



GOVERNANCE

- Strengthened new departments, functions, policies, procedures and other governance initiatives
- Launched Code of Conduct awareness initiatives at all offices and rig locations
- Ethics Line operational and available to all employees
- Implemented a robust support structure from new departments (Technology Lifecycle Management, Operations Compliance and Asset Planning), with a focus on safety and quality



SUSTAINABLE GROWTH

- ADC grew 60% in 2018, a historic achievement in KSA drilling services
- Added 16 new land rigs in just 6 months
- Recruited more than 1,800 employees in less than 7 months
- Advanced supply chain management
- Expanded SAP management systems



EMPLOYEES

- 43% growth in workforce in 2018
- Maintained high level of Saudization: 73%
- Overall ADC training increased by 360% in 2018
- Improved QHSE performance, with a drop in our Injury Rate (IR) from 1.54 in 2017 to 1.08 in 2018
- Appointed first female supervisor in 2018



COMMUNITIES

- Continue to sponsor technical education programs for Saudi talent development
- Supported the care of prisoners and their families
- Funded medical initiatives for both ADC's employees and local communities
- Strengthened our position as a leader in institutional philanthropy, demonstrating significant involvement in community development



ENVIRONMENTAL STEWARDSHIP

- Despite growing by a historic 60% in 2018, ADC's maintained our track record of environmental performance:
- Fuel efficiency increased by 11% since 2017
 - Water efficiency increased by 8% since 2017
 - Waste efficiency increased by 19% since 2017
 - Recycled 100% of rig-site waste oil for 6th consecutive year
 - Screened 100% of suppliers using environmental, social and quality criteria

OUR APPROACH TO SUSTAINABILITY

LEADERSHIP MESSAGE

Looking back over the past 12 months since we published our inaugural 2017 sustainability report, there is much to report on and to celebrate.

Sophomore-year sustainability reports typically, and understandably, often detail incremental or pending progress toward announced goals and initiatives. And while this report is not entirely different in that regard, it is also true that, for ADC, the past year has been anything but typical.

In 2018, our company experienced tremendous growth—beyond even what had been forecasted.

As stated in last year's report, ADC's corporate growth strategy included expanding our rig fleet and growing our workforce. In 2018, we achieved or exceeded the goals we had set in these areas, including:

- Winning a majority of new tenders in the Kingdom;
- Building, renovating, and purchasing a total of 16 new rigs
- Welcoming more than 1,800 new employees.

We likewise increased our market share and advanced our standing as the leading drilling services provider in our areas of operation.

A goal in and of itself, growth in our operations and workforce both tested and benefited from all aspects of our sustainability initiatives and governance. From operational excellence to service quality, supplier engagement to environmental compliance, occupational health and safety to training and development, and Saudi communities to good governance, we were called upon to put into action the best of what we had developed. We are

extremely pleased to report that the hard work of the past several years, in bringing ADC into reporting readiness, greatly facilitated the training and safe deployment of nearly 2,000 new employees and the safe and efficient spudding of 16 new rigs in 2018.

We remain passionately committed to putting people first. In 2018, while onboarding 1,800 new employees and bringing 16 new rigs internationally, we maintained occupational health and safety levels that were already the best of the preceding five years.

Furthermore, for the third consecutive year, we were deeply honored to receive the IKTVA Excellence Award for "Best in Saudization," in recognition of ADC's continued efforts to build the skills and capabilities of the national workforce. More than two-thirds of our new hires in 2018 were Saudi nationals, for a total of 1,300 new members of the ADC family.

Expanding our workforce meant ensuring and delivering proper levels of training and drilling competencies. In this regard, we depended on the innovative internal training programs and external partnerships we had recently developed in pursuit of the highest possible service quality. In 2018, we also achieved progress in the areas of soft skills development, field technical assessments, and e-onboarding.



While expanding our operations at historic rates in 2018, we continued our self-audits in support of service quality. We are proud to have maintained customer and supplier satisfaction rates over this period of expansion, while also monitoring our local procurement rates.

As we strive to grow responsibly, we continued to create efficiencies in energy and water use as well as waste management in 2018, even as our absolute levels rose due to our expanded footprint. We aim to continue to create efficiencies in all environmental areas that we track.

Finally, we continued our business transformation process in 2018, notably integrating OFSAT Arabia into our ERP system to streamline OFSAT business processes and realize desired synergies. It is significant, as well, that the company-wide growth we managed in 2018 was greatly supported by the strategic changes we had made to our internal organization, governance, guidance, and policies in 2017.

Supporting the truism that sustainability is good business, the past year has demonstrated in concrete terms the value of our investments in all our sustainability focus areas. As we continue to strive for the highest operational excellence in 2019, our sustainability program will support our key priorities of employee safety, efficiency improvements, and cost discipline.

For the outstanding accomplishments of 2018, we extend our profound gratitude to the ADC family. Your dedication and hard work made the seemingly impossible possible. As we continue to work together to position ADC as the leading drilling services provider aligned with the Kingdom's 2030 Vision, we recommit to our sustainability vision and goals and look forward to the shared benefits of our efforts.

ADC's leading performance in the drilling services sector is anchored by a strong ethos, robust policies and procedures, and a sustainable corporate strategy, governed by our Board of Directors and designed to create a mutually beneficial impact for all our stakeholders.

VISION

Our vision is to be the leading drilling services provider in the markets where we operate, with best-in-class management of our performance, our workforce and our local impact.

MISSION

ADC's mission is to continually enhance our economic, environmental and social performance, through the following objectives:

- Maintain, as the cornerstone of our business, the health and safety of our employees and the responsible management of scarce natural resources beyond mandatory industry requirements
- Be recognized as an industry leader in the area of quality, promote a culture of outstanding service quality, and actively listen and respond to our customers in order to exceed expectations
- Prioritize the needs of our employees with a people-first approach to business
- Adapt quickly and appropriately to changing business conditions and market opportunities
- Develop social wealth for the communities with which we engage

VALUES

ADC is committed to achieving excellence in performance and quality, empowering our employees, suppliers and communities, and responsibly managing the impacts of our growing business.

We strive to integrate sustainability into all aspects of our business, to maximize the efficiency and productivity of resources and to minimize practices that may adversely affect the environment, local communities and society at large.

We are committed to supporting our employees and the local communities where we operate, through our hiring and development practices, as well as our support for community groups, educational institutions, humanitarian and charitable organizations, national initiatives and other entities.

WE PUT OUR PEOPLE FIRST

STRATEGY

Our sustainability strategy, designed to establish ADC as a leader within our sector, rests on four pillars:

- Driving growth
- Improving or maintaining quality, health, safety and environmental (QHSE) performance
- Investing in our employees
- Supporting national programs

Our sustainability strategy, in turn, complements our corporate strategy, which prioritizes:

- Growing local and regional market share
- Mastering customer satisfaction
- Developing a world-class workforce
- Optimizing cost



2018 IKTVA EXCELLENCE AWARD BEST IN SAUDIZATION

For the third year in a row, ADC's focus on the professional development of our employees was recognized by an IKTVA Excellence Award, received from His Royal Highness Prince Saud Bin Nayef, Prince of Eastern Province, and Mr. Amin H. Nasser, CEO of Saudi Aramco.

The 2018 IKTVA Excellence Award for "Best in Saudization" acknowledges ADC's dedicated efforts to develop the Saudi workforce through specialized technical training and new-job creation as well as our best-in-class results in this area.



IKTVA

IKTVA, which stands for "In Kingdom Total Value Add," is a program designed to drive domestic value creation and maximize long-term economic growth and diversification to support a rapidly changing Saudi economy. The program aims to drive job creation and a 70% localization rate nationally.

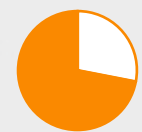


““”

“Not only is ADC proud to be the leading provider in drilling services for Saudi Aramco, we're committed to modeling Saudization in line with IKTVA and Vision 2030. That commitment has made us a multiple award-winner for localization as well as Vision 2030 alignment.”

– Ali Alghamdi, ADC MD-A

IN 2018, ADC ACHIEVED



73%
SAUDIZATION

> 1,300
NEW SAUDI HIRES

AMBASSADOR – 2018 KING KHALID AWARD FOR RESPONSIBLE COMPETITIVENESS

THE RESPONSIBLE COMPETITIVENESS (RC) AWARD

The Responsible Competitiveness (RC) Award is awarded by the King Khalid Foundation under the auspices of the Custodian of the Two Holy Mosques King Salman Bin Abdulaziz Al Saud.

The RC Award recognizes the work of companies that are excelling in building a nationally competitive workforce, innovating solutions for social development, empowering local suppliers, achieving good governance and quality management, and demonstrating responsible environmental management.



ADC was invited to be an Ambassador for the 2018 King Khalid Award for Responsible Competitiveness, as part of a select group of leading Saudi companies.

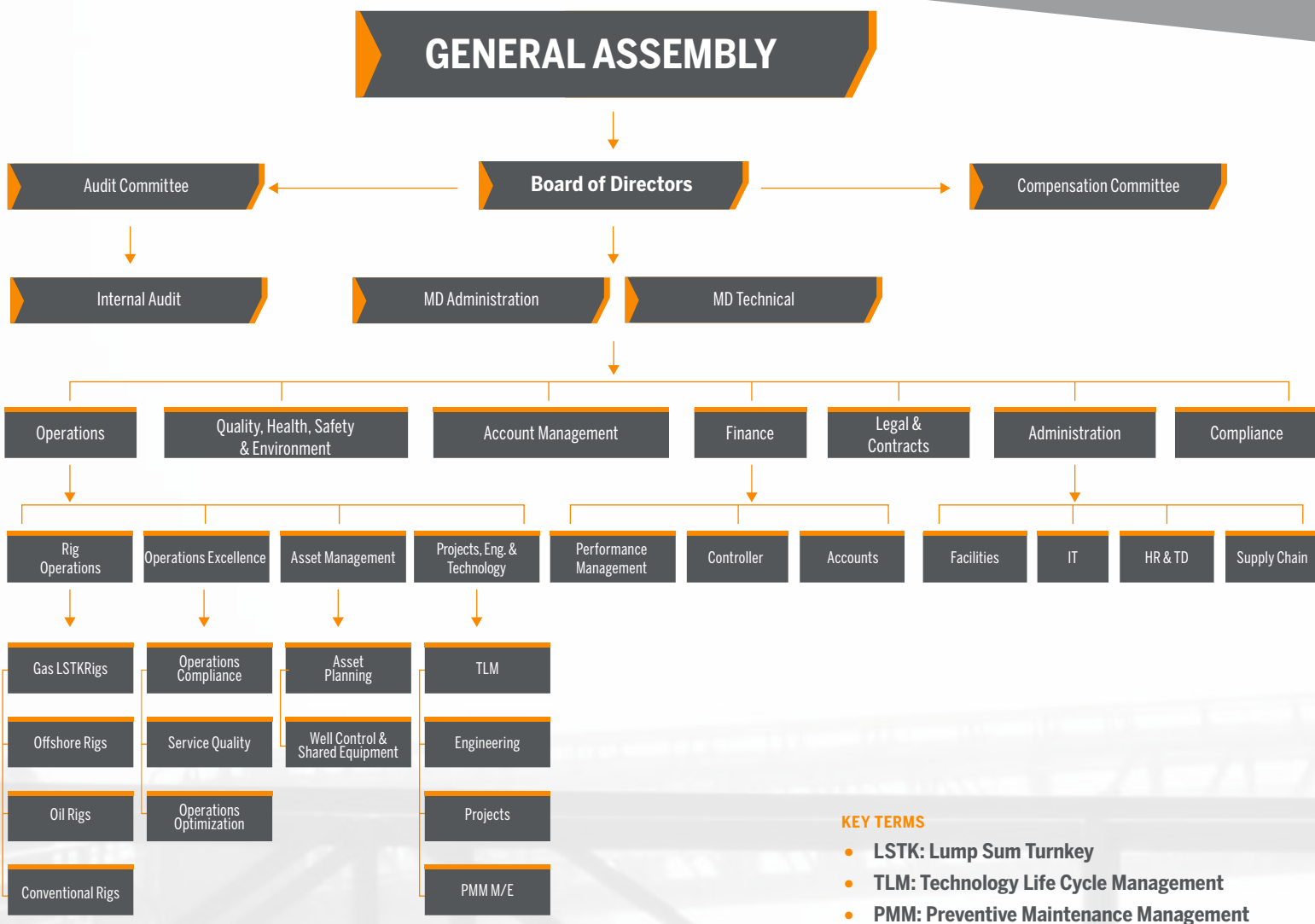
As the award's First Place Winner – Best Overall Performance for 2017, ADC was recognized for its leadership in promoting sustainability, corporate social responsibility (CSR) and responsible competitiveness within the Kingdom.

As a 2018 Ambassador, ADC was responsible for broadening participation in the award process and its impact, in collaboration with the King Khalid Foundation and its project partner, AccountAbility.



GOVERNANCE

Through effective corporate governance, we continue to grow our market share, meet our clients' needs, develop our people and optimize cost. Good corporate governance also supports the delivery of responsible, ethical and sustainable business outcomes. Our Board of Directors oversees our corporate governance, corporate social responsibility, corporate ethics and overall performance. ADC's Sustainability approach and initiatives are governed by our Board of Directors and managed by our core corporate functions, helping us truly integrate sustainability into our business operations.



KEY TERMS

- **LSTK: Lump Sum Turnkey**
- **TLM: Technology Life Cycle Management**
- **PMM: Preventive Maintenance Management**

2018 GOVERNANCE HIGHLIGHTS

Building on a surge of recent innovations, in 2018 we further strengthened our compliance, ethics and transparency mechanisms. In the past year, we created or administered programs to increase awareness of expectations, facilitate ethics alerts, enhance corporate accountability and extend compliance.

2018

CODE OF CONDUCT AWARENESS

- Code of Conduct (CoC) banners displayed at all ADC office and rig locations
- CoC workshops and seminars conducted, covering all departments
- Tool to measure understanding of CoC materials under development
- A QUEST for our CoC under development in coordination with ADC Training department

ETHICS LINE

- Operational and available to all employees by phone and email
- Employees can submit information anonymously
- Management ensures the confidentiality of all information and fair treatment to all employees

GRIEVANCE REDRESSAL PROCESS

- Comprehensive, well-defined redressal process implemented

2017

ADDED DEPARTMENTS

- Operations Excellence
- Performance Management
- Marketing & Business Development
- Compliance

NEW FUNCTIONS

- Internal Audit, reporting directly to the Board Audit Committee
- Projects and Rig Move
- Talent Development
- Contracts

INITIATIVES LAUNCHED

- Comprehensive Risk Assessment
- FARES Career Development Program
- Career ladder for support function employees
- Finance Transformation Process

PROCEDURES, POLICIES & PUBLICATIONS CREATED

- Enterprise Business System
- Human Resources and Supply Chain policies and procedures overhauled
- Operational and Rig Move manuals
- Code of Conduct Guidelines
- Ethics Line

GOVERNANCE CONTINUED

DEDICATED TO COMPLIANCE

Compliance with laws and regulations is paramount at ADC. We have well-established policies and procedures to operate our business effectively. We update our policies and guidelines to better achieve our business objectives, follow best practices and comply with requirements imposed by the various jurisdictions in which we operate.

All ADC employees must abide by the laws and regulations to which ADC is subject, with personal commitment to honesty, loyalty and transparency.

Our Compliance department, developed and launched in 2016, ensures that ADC business transactions and processes are executed according to the relevant rules, regulations and company-established policies and procedures. The Compliance department also makes sure that the Internal Control System (ICS) is functioning efficiently and effectively by driving sustainable

improvements. Further, the independent Internal Audit function established in 2017 reflects management's commitment to strengthening the ICS.

Our Compliance department ensures the effectiveness and efficiency of ADC's corporate governance by:

- reviewing, enhancing and developing ADC policies and procedures;
- ensuring relevant internal control processes are adequately built into those policies and procedures;
- reviewing implementation of policies and procedures to ensure their effectiveness and efficiency;
- ensuring the Code of Conduct is appropriately adhered to in all business activities and that instances of conflict of interest, if any, are properly identified and addressed for appropriate management action;
- ensuring all business transactions are executed as per the approved authority matrix; and
- ensuring that ADC complies with all statutory requirements as per local laws and regulations.



TO EXTEND COMPLIANCE IN 2018, WE:

Met strict government requirements and deadlines to achieve implementation of company-wide Value Added Tax (VAT) compliance regulations in January 2018.

COMMITTED TO ETHICS & TRANSPARENCY



TO HIGHLIGHT OUR CODE OF CONDUCT IN 2018, WE:

- Conducted workshops on our Code covering most departments
- Introduced Code of Conduct banners at offices and rigs for awareness creation
- Developed a tool for measuring level of understanding and awareness of our Code of Conduct materials

OUR CODE OF CONDUCT

We are committed to the highest ethical and legal standards in the conduct of our business. We maintain effective controls and clear rules in order to ensure appropriate business conduct.

Building a corporate culture of transparency and integrity based on ethical behavior and compliance with the law is essential to the long-term sustainability of our business in a competitive market. The reputation of our business is the result of the actions each of us takes every day. It is also a source of value for our customers and the communities in which we operate.

We count on each of our employees to proactively join us in promoting and implementing best practices throughout our operations and reinforcing the sustainability of our company.

Our Code of Conduct defines guidelines and standards of integrity and transparency that must be complied with by all employees at all levels of our company. Its guidelines also apply to our contractors, subcontractors, commercial intermediaries, suppliers and anyone else who performs services for or on behalf of ADC and who might be capable of engaging in unethical behavior on ADC's behalf.

ADC's Audit Committee is the top-level decision-making body for the implementation of our Code of Conduct. Our Internal Audit (IA) function, under the supervision of the Audit Committee,

resolves questions relating to the implementation or interpretation of the Code. Our IA function and HR department implement the rules and procedures to ensure full compliance with the Code.

So that all relevant parties know and understand the provisions of the Code, and how those provisions apply to their workplace environment, Management ensures that Code of Conduct training is provided to all employees.

STAKEHOLDER ENGAGEMENT

We continually and actively engage with our stakeholders to understand their needs and priorities. Our stakeholders comprise groups and individuals who are involved in our business, who impact our business, and/or who are impacted by our business. Engaging with our stakeholders and understanding their interests is critical to shaping our business priorities and sustainability strategy.

Identifying Key Stakeholders

To determine our key stakeholders, ADC management conducts meetings and workshops with the board and other levels within the company. In these discussions, we identify organizations and individuals who have an interest in ADC, who can have a fundamental impact on ADC, who can have a dynamic relationship with ADC, and/or who are otherwise important to the existence and continuity of our business.

We track the following information for our key internal and external stakeholders:

- Interests
- Level of involvement with ADC
- Expectations
- Importance, influence and impact
- Communication requirements

Our management then assesses this tracked information to rank stakeholder issues, understand expectations and ultimately create shared value for both our company and our stakeholders.

Incorporating Expectations

Our stakeholders include our employees, customers and shareholders, as well as our government partners, suppliers and local communities. These groups and organizations represent a wide range of interests. We engage with each group in an ongoing exchange aimed at meeting and exceeding their expectations.

We share our sustainability initiatives and thinking with employees and other stakeholders through our publicly available, quarterly online magazine, *Al Majlis*. We also distribute printed copies of *Al Majlis* to key stakeholders.

In 2018, we **continued to expand our engagement efforts** with our most important stakeholders. We proactively seek input by conducting satisfaction surveys with our employees, customers and vendors; holding workshops for our Board of Directors and managers; in-person meetings with clients; and training local students.



The table below presents in more detail how we engage with our stakeholders, what stakeholders expect from us, and how we respond to those expectations. Through a process of ongoing engagement, we seek to continually understand our stakeholders' expectations and to incorporate those interests into our business plans and actions.

PRIMARY STAKEHOLDER GROUPS		ENGAGEMENT METHODS	STAKEHOLDER EXPECTATIONS	ADC RESPONSE
EMPLOYEES	ADC has over 4,500 employees : <ul style="list-style-type: none"> • 73% Saudi • 27% Expat 	<ul style="list-style-type: none"> • Employee satisfaction survey • Employee engagement workshops • Regular meetings • Quarterly and annual performance reviews • Objective planning meetings 	<ul style="list-style-type: none"> • Equal opportunity and fair treatment • Health and safety • Clear career path • Learning and development • Motivation and appreciation • Recognition and award programs • Transparent management 	<ul style="list-style-type: none"> • Employee satisfaction review • Thank You Habit • Competitive compensation and incentives • Retention policy • Health insurance • Safety awards • Code of Conduct • Career ladder initiative • Training and development programs
CUSTOMERS	ADC's primary customers include Saudi Aramco, Schlumberger and Al Khafji Joint Operations	<ul style="list-style-type: none"> • Website • Quarterly service quality appraisal • Monthly drilling health, safety and environmental leadership initiative meetings • Daily and weekly meetings • Quarterly Safe Operations Committee meetings • Daily reports • Drilling operational excellence and compliance division alerts 	<ul style="list-style-type: none"> • High-quality services • Health, safety and environment protection • Security • Confidentiality and data protection • Compliance with ethical and regulatory standards • Use of modern technology • Competent local workforce 	<ul style="list-style-type: none"> • Professional workforce • Time-bound delivery • Health, safety and environment training • Code of Conduct • Confidentiality and Privacy Policy • Well-trained local workforce • Security Policy • Implementation of ERP system • Acquiring latest technology
SHAREHOLDERS	ADC is a limited liability partnership between the Industrialization & Energy Services Company (TAQA), a Saudi joint stock company that owns 51%, and Services Petroliers Schlumberger S.A., a global leader in oilfield services that owns the remaining 49%.	<ul style="list-style-type: none"> • Annual General Assembly • Board of Directors meetings • Annual, quarterly and monthly reports • Board of Directors workshops 	<ul style="list-style-type: none"> • Profitability and sustainable growth • Corporate governance • Minimized risk • Excellent reputation • Transparent communication • Compliance with laws and regulations • Support local programs 	<ul style="list-style-type: none"> • Net income profit • Continuous growth • Effective and enhanced corporate governance framework • Innovative training programs • Effective communication • Culture of excellence and continuous improvement • Reputation risk management • Code of Conduct

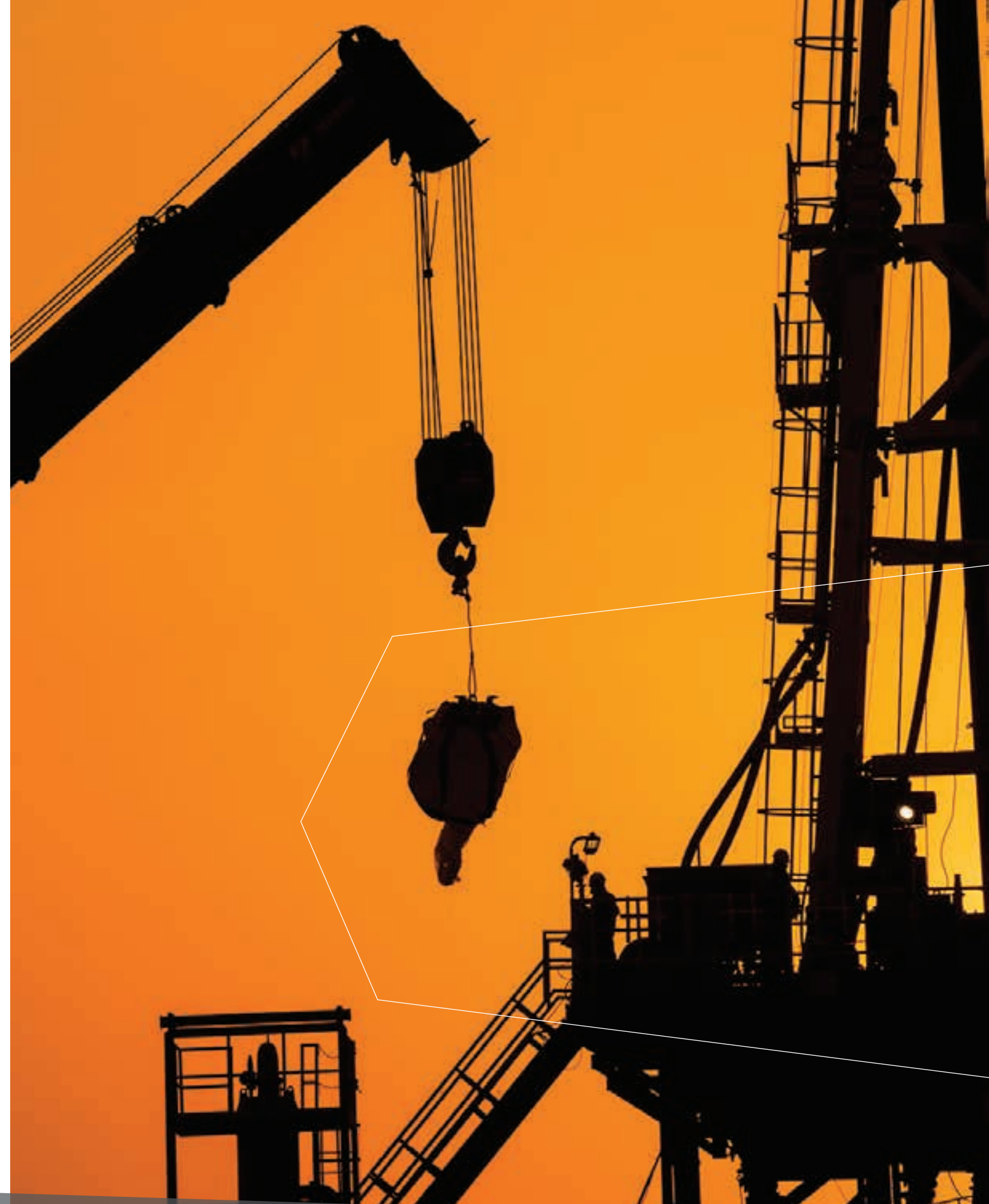
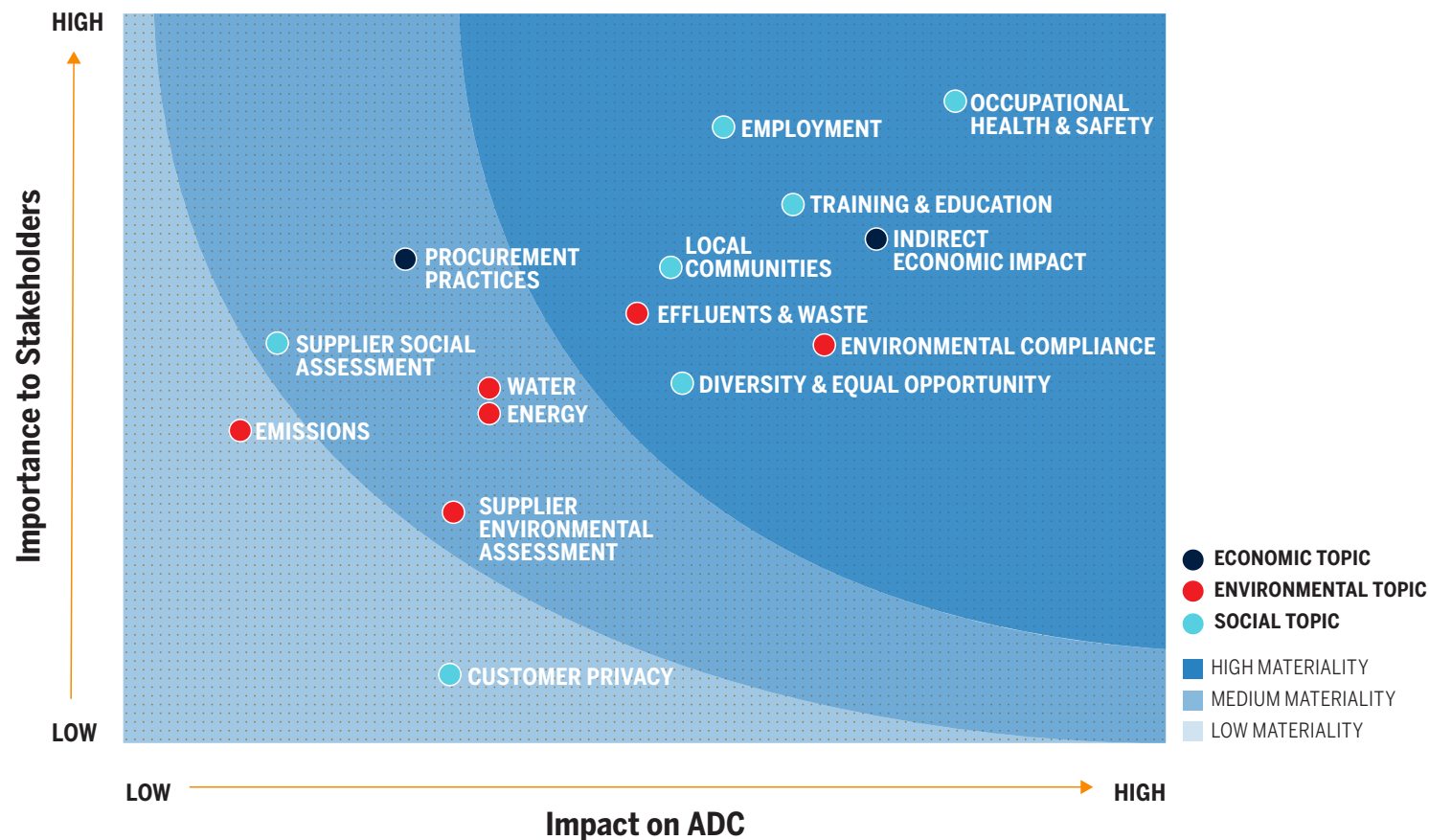
MATERIAL ISSUES

We strategically prioritize the issues that are most relevant to our business and of greatest importance to our stakeholders, incorporating these material issues into our sustainability goals and initiatives.

Since performing a formal materiality assessment last year, ADC has continued to focus management and disclosure efforts on the Economic, Environmental and Social Topics that are most important to our stakeholders and had the greatest impact on ADC during the course of 2018. The matrix below demonstrates the materiality of these issues - as defined by the GRI.

Our independent, formal materiality assessment is underpinned by the GRI Reporting Principles of Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness and the AA1000 AccountAbility Principles. The assessment was conducted by AccountAbility and included surveys of internal stakeholders from across ADC's functions and departments; validation interviews with senior leadership; and calibration to industry standards and external stakeholder priorities. More details on specific disclosures can be found in the GRI Index starting on page 65.

ADC'S MATERIAL ISSUES



GROWING SUSTAINABLY

A YEAR OF UNPRECEDENTED GROWTH – MANAGED WITH INTEGRITY

ADC aims to grow our business and occupy a leading position in drilling services in Saudi Arabia, to help meet the strategic plans of the Kingdom. In 2018, we made considerable strides in this area, with an unprecedented expansion of our fleet and workforce. We are extremely proud that we managed this expansion while staying true to our values—prioritizing our people and service quality—while increasing opportunities to enhance our sustainability impact.

ADC GREW BY A HISTORIC 60% IN 2018

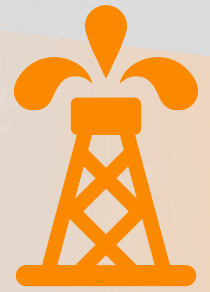


WE GREW WITH INTEGRITY



A GREATLY AMPLIFIED FLEET – ENHANCING EFFICIENCY

We aimed to expand our fleet in 2018, and we delivered. Successfully managing global procurement, logistics, and compliance matters, we coordinated international and cross-enterprise efforts to deliver and operationalize 16 new rigs safely, efficiently, and cost-effectively, while also adhering to industry standards.



+16 New Rigs added in just 6 months

WE ADDED 16 NEW LAND RIGS IN JUST 6 MONTHS

- Built, renovated or purchased a total of 16 rigs
- Manufactured majority of new rigs, in different parts of the world
- Shipped rigs and thousands of spare parts via sea, land and air
- Delivered rigs, installed all equipment and reached operation-readiness
- Spudded all new rigs safely and efficiently
- Commissioned all equipment and put it into use in a timely manner

Historic and unprecedented



60% GROWTH



ADC received the Safe Mobilization Award from SCHLUMBERGER for achieving 'Zero Injury for Mega IDS Mobilization' in 2018



7 CUSTOM BUILT RIGS DELIVERED TO DAMMAM PORT:

- AD53
- AD54
- AD55
- AD56
- AD57
- AD58
- AD59

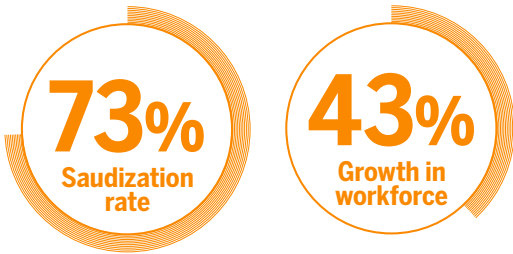
• Currently drilling oil and gas for ADC customer Saudi Aramco in agreement with Schlumberger Project Management

• First ADC rigs to be built in China, customized to per specifications by the HongHua (HH) Group

A FORTIFIED WORKFORCE – SUPPORTING THE KINGDOM, PRIORITIZING SAFETY

To operate our expanded fleet at the highest quality levels, we recruited, onboarded and trained more than 1,800 new employees last year. As we welcomed the largest single class of new members into our ADC family, we prioritized safety, training, Saudi representation and our common bonds.

WE HIRED AND TRAINED MORE THAN 1,800 EMPLOYEES IN 2018




We onboarded and trained a record number of employees in less than 7 months, including a significant number of “green hat” hires (employees working on drills or in harsh environments). 1,300 of our 1,800+ new hires were Saudi nationals, bringing us to a Saudization rate of 73% in 2018.



WE PUT OUR PEOPLE FIRST

Our rapid growth forced us to increase our training activities by 360% in order to effectively prepare our new hires. We kept pace and successfully sustained our 2017 Health, Safety & Environment (HSE) performance as a result.



ALL HANDS ON DECK

Our successful management of rapid growth was an enterprise-wide achievement. All of ADC's departments were critical to this effort, including:

- Projects
- Finance
- Supply Chain
- Operations
- Technical
- Legal and Contracts
- Human Resources and Training
- Information Technology
- Facilities
- Health, Safety and Environment (HSE)
- Compliance



BUILDING ON OUR PLATFORM

OUR GOALS AND GROWTH STRATEGY



In 2019 and beyond, we will strive to continue to grow, in alignment with our business model, values and sustainability commitments, to strengthen our position and better serve the strategic growth needs of the Kingdom of Saudi Arabia.

ACHIEVING EXCELLENCE IN OPERATIONS

Our drilling services are backed by more than 50 years of operational experience and a history of innovation that has brought considerable safety and efficiency gains to the drilling process, even in the most challenging programs and harsh climatic conditions.

To drive operational efficiencies and excellence across our newly expanded platform, we introduced new SAP and other leading-edge technologies at all our rig sites in 2018.



ASSET INTEGRITY

Added SAP Capabilities

To support the ADC Expansion project, we completed configurations for all SAP modules across all new rigs in 2018. We also uploaded equipment and fixed-asset master data for all new rigs. New SAP functionality included the use of SAP SuccessFactors to streamline the recruitment and onboarding of new employees through automated data management, milestone-tracking and payroll services. ADC partnered with suppliers in early 2018 to provide offsite support and consulting for our SAP system.

We also introduced asset-tracking software using RFID handheld devices to count all ADC equipment and enhance resource management. Lastly, we implemented a system to track the certifications of well control equipment across all ADC rigs, to capture expiration and history data and generate alerts for recertifications as needed.

IT Achievements

We added or upgraded digital capabilities in other areas as well, including configuring VSAT, network connectivity, and shared printer and IP phone functionality for all new rigs. We also set up hundreds of email IDs and computers for new ADC employees and for staff from OFSAT (a company owned by ADC); migrated applications to a centralized server; and created a daily reporting system (DRS), ADC's new centralized server ensures increased security, high availability, and improved data backup.

Service Quality

ADC management and employees are committed to providing the highest-quality service to our customers and exceeding their expectations. We successfully completed the expansion of our fleet by adding sixteen new rigs in 2018. To support efficient service delivery, we introduced three new departments: Operations Compliance, Technology Life Cycle Management, and Asset & Planning Management.

Integrating Quality

We aim to exceed our customers' expectations by involving and empowering all employees in our Quality, Health, Safety & Environment (QHSE) programs. Our QHSE Policy and Quality Management System (QMS) are communicated to all employees, customers, contractors and third parties associated with our business. We regularly assess our own compliance with ADC standards and procedures, including our QMS, and make modifications as needed.

Audits

We will continue to focus on the quality, safety and operational efficiency of our business, and add financial controls to improve future profitability. We have empowered an internal Audit team to assess all ADC operations, and we will continue to prioritize field visits by management.

The scope of Audit team responsibilities includes but is not limited to:

- Health, Safety and Environment (HSE) management system and compliance
- Operations—Drilling Operations, Service Quality and Asset Management
- Well Control Equipment and Practices
- Management System (MS) Process Audits

ADC WINS SILVER SAP QUALITY AWARD IN BUSINESS TRANSFORMATION CATEGORY

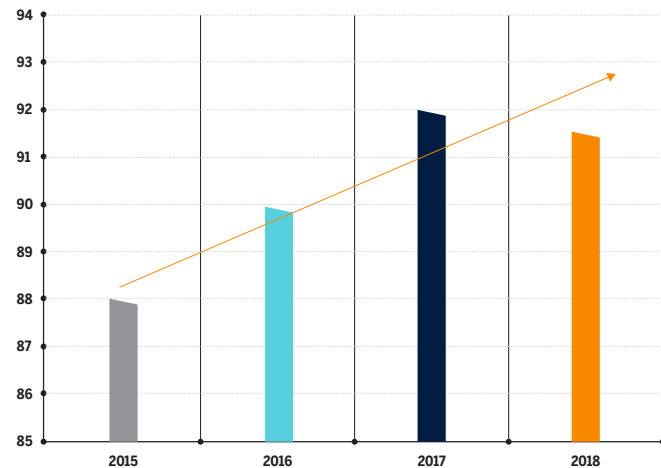
The prestigious SAP Quality Awards celebrate and recognize customers who have excelled in the implementation of SAP software solutions by using SAP's 10 Quality Principles to effectively plan, execute and manage

implementations; achieve fast, low-cost implementations—and meet today's demand for rapid time to value; and simplify business processes and deliver significant business benefits to their organizations.

MONITORING CUSTOMER SATISFACTION

We regularly engage with our customers to gauge their level of satisfaction and how we might improve their experience. We measure customer satisfaction through regular Customer Satisfaction Surveys and rig evaluations. Our average service quality rating is steadily increasing from an already-high baseline.

CUSTOMER SATISFACTION



We have continued to achieve strong customer satisfaction since 2015.

SERVICE QUALITY



ADC Named Most Improved Drilling Contractor—2018 Performance by Saudi Aramco



ADC Named a Top 2018 Flat Time Performer among all Saudi Aramco Drilling Contractors

RIG PERFORMANCE ACHIEVEMENTS

AD-17
BEST PERFORMER AMONG 75 RIGS OF SAUDI ARAMCO E&ODED
FLAT TIME PERFORMANCE

AD-52
BROKE TWO CONSECUTIVE RECORDS OF ROP IN BERRI FIELD
ROP PERFORMANCE

AD-15
FASTEST ROP IN SAHB FIELD (4.8% INCREASE)
ROP PERFORMANCE

AD-29
TOP 5 PERFORMER WITHIN SAUWOD RIGS FOR FLAT TIME KPI
FLAT TIME PERFORMANCE

AD-50
BEST OFFSHORE RIG FOR NPT IN Q1 2018
SAUDI ARAMCO RECOGNITION

AD-43
BEST RIG WORKING FOR IDS WORLDWIDE
IDS RECOGNITION

AD-60
BEST OFFSHORE RIG FLAT TIME REDUCTION IN Q1 2018
SAUDI ARAMCO RECOGNITION



“I would like to express my sincere appreciation to Arabian Drilling Company (ADC) team for hosting the workshop, entitled ‘Mechanical Lifting – Crane and Forklift Operations’. The workshop was successful in raising awareness of the hazards associated with mechanical lifting for drilling operations and the necessary controls required to undertake it with due regard for the health and safety of our people and the environment which we operate in.”



“We are pleased to convey our appreciation for the outstanding performance and continuous improvement delivered by rig ADC-52 team, including engineering, operations, rig crew, and service providers, in successfully breaking the 12-1/4” section Berri field ROP records in back to back wells.”



“The exceptional performance of ADC-52 team has resulted in significant savings of 6.3 rig days against planned drilling times in two wells. The rig performance clearly shows the dedication and hard work of the team.”



“I would like to appreciate each one of you for hosting Saudi Aramco Management Team visiting AD-50.”



“Vey well done and keep moving forward with the same enthusiasm and to further strengthen the true ADC Culture.”

PERFORMANCE IMPROVEMENT & STANDARDIZATION

The Operations Optimization (OO) Insight Project, a performance improvement and standardization initiative, was launched by our Operations Compliance department in 2018. We are implementing efficiency training and measures to streamline our efforts, reduce costs, and support operational excellence.

GOAL

Sustain continuous performance improvement and reduce non-productive time (NPT)

VISION

“Procedural Adherence” supports consistent performance and increased reliability. Standardizing the way we work will also enable us to assess competency and operational excellence in a more consistent manner across our operations.

ADC OPERATIONAL COMPLIANCE BOOSTS EFFICIENCY

Compliance with our established operational processes allows us to carry out value-added activities in less time. Realizing these efficiencies requires analysis of ADC tasks and how they are carried out, followed by identifying sources of inefficient activities and ways to simplify processes and tasks. In effect, the goal is to conserve labor and energy by completing a task as simply and efficiently as possible.

We are proud of our innovations and accomplishments, and understand that such achievements require planning, execution, leadership and, above all, desire.

Waste Elimination

- Waiting for equipment or for an activity to finish
- Equipment reliability
- Moving equipment from one place to another
- Moving people from one place to another

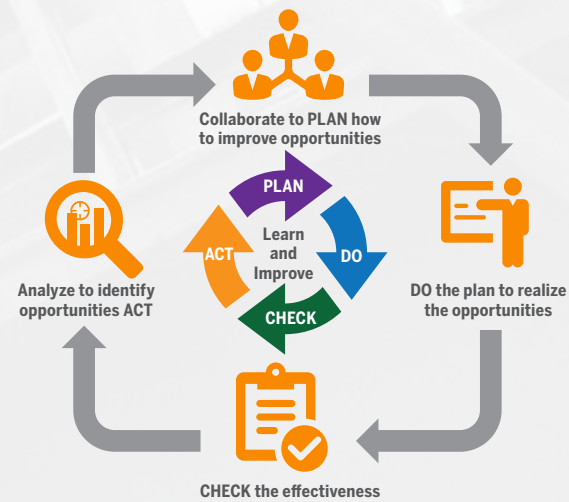
Process Efficiency

- Use of fit-for-purpose equipment that is not complex
- Move all possible value-added activities off the critical path and do them “off line”
- Reduce critical path activities by running them in parallel

Proper Planning

- Right tool for the job
- Performance-detailed work procedure
- Adequate risk assessment

ADC CONTINUOUS IMPROVEMENT PROCESS



Standardization Supports Sustained Improvement

- ✓ Without standardization, all improvements are subject to weakening over time.
- ✓ Standardization ensures that improvements are incorporated into daily operating procedures.

Behavior Orientation

- Desire to perform
- Willingness to take balanced risks
- Willingness to challenge status quo
- Quality team leadership



SAFETY

During an expedited fleet expansion with no known precedent in the drilling industry, we attained exemplary safety performance.

ADC EXPANSION MAJOR SAFETY ACHIEVEMENTS

- ZERO** major HSE incidents during rigs buildup, transportation and rigging-up at well sites
- ZERO** serious injuries during the spudding of new rigs

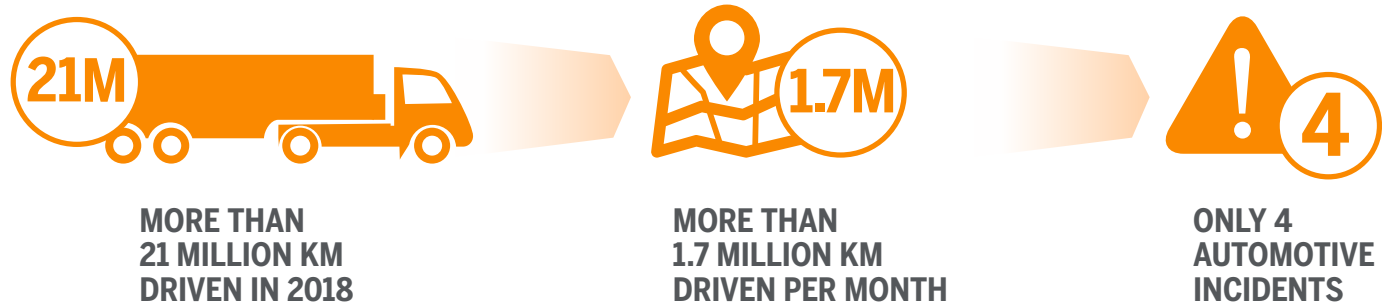
ADVANCING SAFETY: Launching the SALAMA Card

- ✓ A major risk-management tool introduced for all routine rig jobs in 2018
- ✓ Gives a green light or a prompt to STOP during routine jobs

2018 WAS ANOTHER YEAR OF SUCCESS IN SAFETY

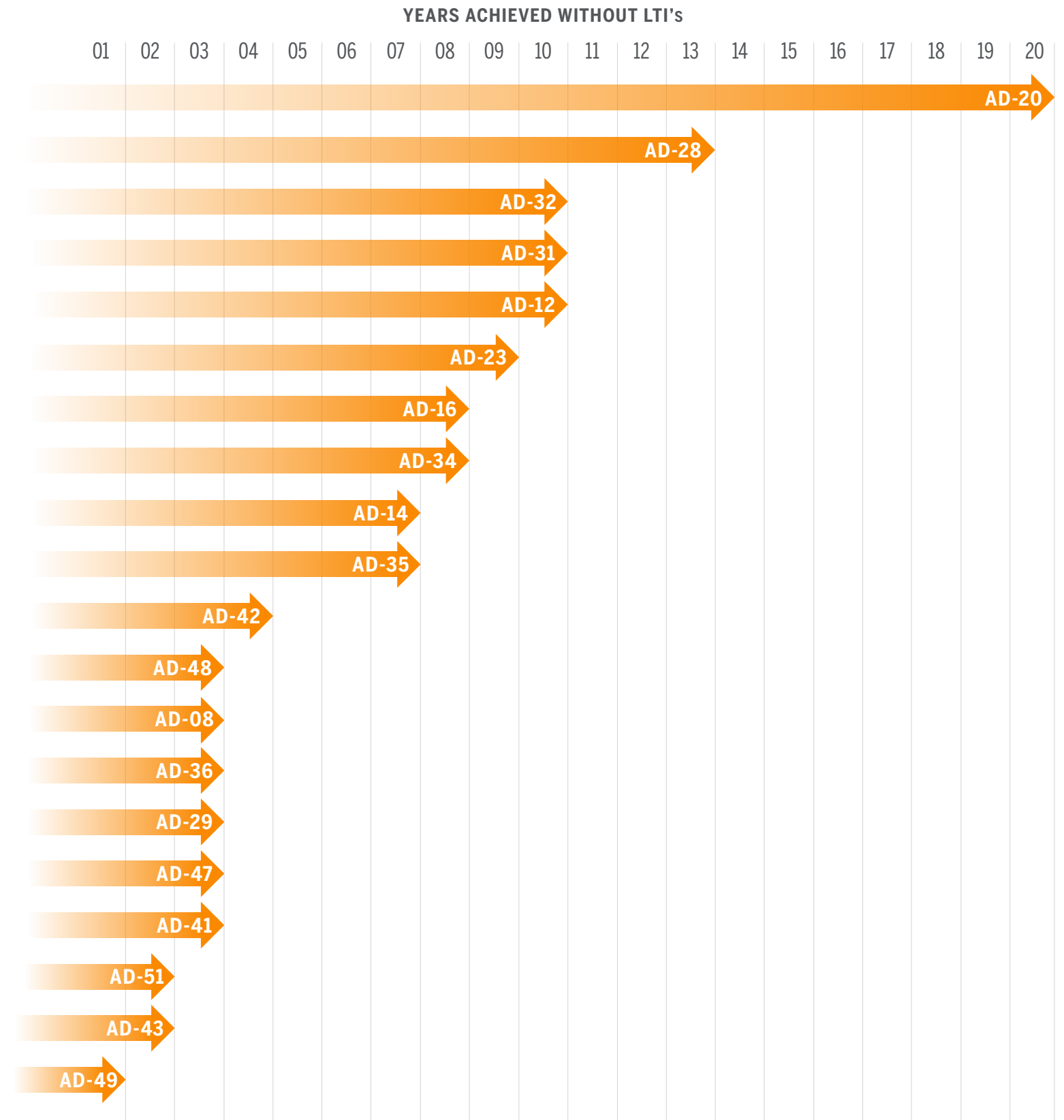


SAFE DRIVING IN 2018



RECORDS ACHIEVED OF OPERATING RIGS WITHOUT LTI's (AS OF 2018)

We are proud that our rig fleet continues to achieve industry-leading safety track records.



LOCAL SUPPLIERS

We prioritize local suppliers whenever possible. By helping build capacity among local suppliers and increasing our local spending, we support our own drilling services while also investing in the growth of the Saudi economy, in line with Vision 2030.

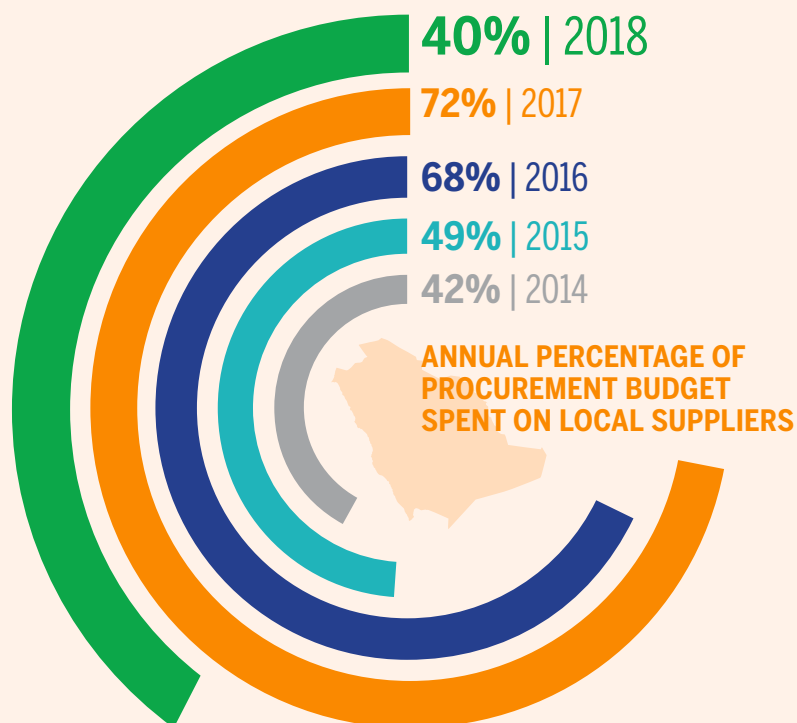
While our historic fleet expansion in 2018 increased our international spending, ADC still continued its commitment to local investments.

ADC spent \$110 MILLION on local procurement, constituting 40% of our total procurement spend.

We are committed to increasing our work with local suppliers, many of which are small to medium-size enterprises (SMEs) and manufacturers. Using IKTVA metrics, we have set targets to increase the share of local companies in our supply chain by 15% by 2018 and by 39% by 2021. While our unprecedented growth in 2018 necessitated global partnerships, in 2019, we aim to return to the rising levels of local procurement that ADC achieved from 2014 to 2017.

We also support local vendors through education, training, metrics and site visits, setting IKTVA targets for these initiatives. As we help build the capacity of local suppliers to meet our standards and procurement levels, we are also reducing shipping and import fees from imported supplies.

LOCAL PROCUREMENT



PRIORITIZING QUALITY

Committed to continuous improvement, we aim to purchase the right materials and services at the right time, in the right place, and at optimal cost — informed by our quality, delivery and service policies.

Our Procurement Policy applies to all our suppliers. Vendor registration and prequalification are required to ensure that approved ADC vendors are reputable, commercially and technically accepted suppliers that meet our stated ethics, responsible purchasing, Saudization and quality standards.

100% OF ADC'S SUPPLIERS ARE SCREENED USING ENVIRONMENTAL, SOCIAL AND QUALITY CRITERIA:



ENVIRONMENTAL STANDARDS

- ISO 14000: Environmental Management
- ADC's Responsible Purchasing Policy
- ADC's Environmental Policies



SOCIAL STANDARDS

- Occupational Health and Safety Assessment Standards (OHSAS) 18001
- External safety audits
- Manufacturing conditions and capacity
- Saudization
- Zakat
- IKTVA
- Employee training records
- ADC's Human Resources Policy



QUALITY STANDARDS

- ISO 9001: Quality Management
- ADC's quality standards and quality control requirements

Compliance Audits

We conduct audits at a minimum of every three years for our top 30 vendors (based on procurement spend value). Our audit teams are drawn from our Operations, QHSE and Supply Chain (SC) departments. Our SC team conducts regular supplier audits and site visits to assess:

- On-premise quality control procedures
- HSE practices
- Manufacturing conditions and capacity
- Equipment maintenance and conditions
- Materials storage
- Compliance with the Saudi Labor Code, Saudization requirements and plans for increasing Saudization
- Compliance with the ADC Procurement Policy

Our SC team works with suppliers to assess performance against expectations and address any gaps. Any vendor not meeting the Saudization requirement must develop an implementation plan for the following two to three years to reach the required level of Saudis in its workforce. ADC will stop doing business with any vendor that ultimately fails to meet Saudization requirements.

Screening Environmental Performance

One of the most important areas of our Environmental Management Plan (EMP) is assessing vendors' environmental performance to ensure it meets national and international requirements. We do this by conducting: 1) prequalification for all new subcontractors, including an environmental assessment; and 2) annual audits for existing, high-risk subcontractors to measure compliance with ADC requirements as stated in contracts and our QHSE Manual.

Measuring Satisfaction

We administer a Supplier Satisfaction Survey annually to help gauge the performance of our Supply Chain department and identify areas for improvement. These formal feedback mechanisms, in place since 2015, reach between 50% to 74% of our supplier base.

In response to supplier feedback, in 2017 we began transforming our Finance department and implementing an SAP ERP system for vendor payments. This system now captures each invoice and triggers automatic payments for verified invoices, helping streamline the payment process.



CREATING VALUE

We seek to create social and environmental value for Saudi Arabia and the communities in which we operate. Through sustainable growth, operational excellence, and capacity building among employees and the community, we enact our commitment to sustainability. Our recent growth creates opportunities to enhance our sustainability impact and value creation for all our stakeholders and the natural environment.

SOCIAL VALUE

ADC's people-first culture generates social value for all our stakeholders by prioritizing safety and building the capacity of our employees and Saudi communities. These investments—increased to suit our growth in 2018—contribute to an expanding circle of well-being, including a strong workforce, a vibrant society, a thriving economy and an ambitious nation.

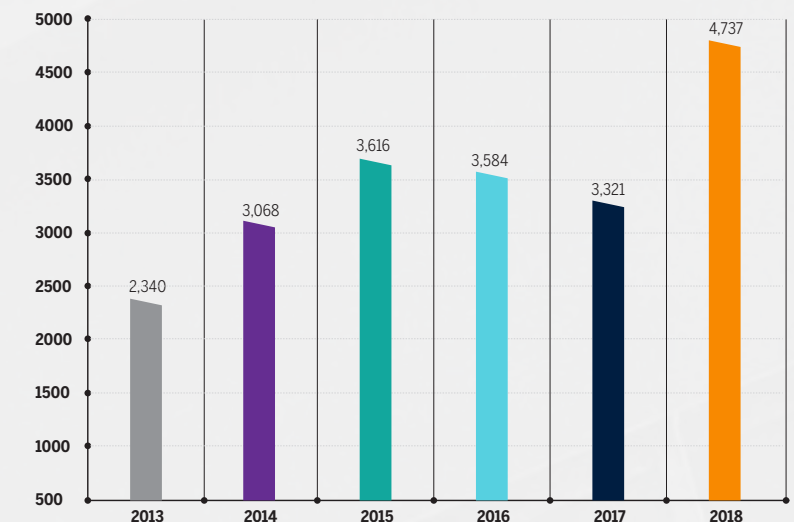
OUR EMPLOYEES

In 2018, our ADC family grew to 4,737 employees, compared to 3,321 employees at the end of 2017, representing a net increase of 1,416 (43%) of new employees. We continued to prioritize the safety, well-being and professional development of all of our people. We maintained industry-leading HSE, benefits and training programs. And we accomplished all of this while honoring our commitment to localization.

Our workforce has more than doubled since 2013 and has increased by 43% since 2017.



OUR GROWING WORKFORCE



OUR EMPLOYEES



ACHIEVEMENTS IN HUMAN RESOURCE MANAGEMENT

- More than **1,800** recruited, onboarded and trained in less than 7 months
- Including **1,270 Saudi nationals**
- **544 expats** brought to Kingdom in record time
- Pre-employment medical checkup reduced from 10 days to 3 working days
- Employment verification process automated, reducing time and errors
- Automated alerts introduced for renewals, checkups and more



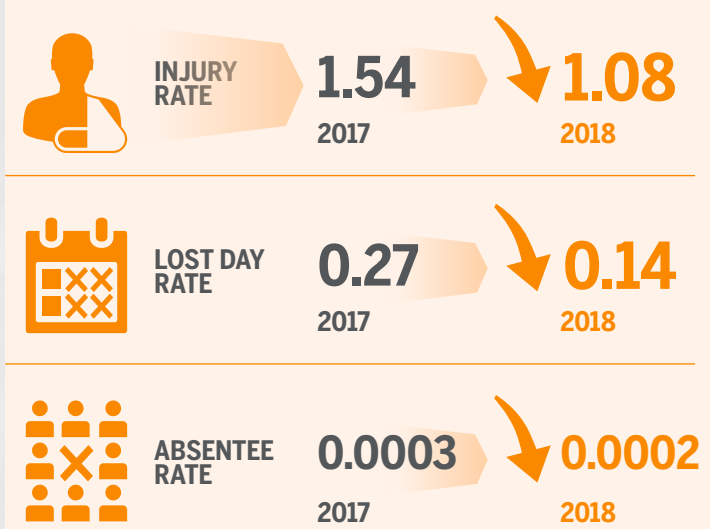
OCCUPATIONAL HEALTH & SAFETY

We believe it is our responsibility to provide a safe environment for our people by managing occupational health and safety issues in our operations.

We are committed to:

- Establishing and continuously enhancing clear systems, standards and processes to support quality, health, safety and environmental (QHSE) objectives across our business
- Providing the necessary training and coaching that employees need to meet these standards and follow processes
- Giving all employees absolute authority to stop a job if necessary and respecting their right to do so
- Providing managers with the resources needed to support staff compliance with QHSE standards
- Dealing with any QHSE issues fairly and transparently, rewarding positive behavior and addressing problematic behavior appropriately
- Encouraging a culture of openness and continuous improvement

CONTINUOUSLY IMPROVING QHSE PERFORMANCE



HEALTH & WELLNESS

In 2018, ADC continued to provide health and wellness programs to care for our employees and their families:

HEALTH LOUNGE



Through **on-site Health Lounge** sessions, a variety of health and wellness offerings are available, including blood sugar and blood pressure testing, vision screenings and dental checkups. A qualified nurse answers questions and provides useful healthcare information to employees.

ADC HEALTHCARE PROGRAM



OUR HEALTHCARE PROGRAM provides employees and their families with access to:

- Regular health checkups, vaccinations and a direct phone number for doctors;
- Information on heat risks and how to find help;
- Access to medical supplies and support; and
- General family health information.



ON-SITE GYMS are available to employees at all office locations.

DISCOUNTS FOR EXTERNAL GYM MEMBERSHIPS are available to employees at all locations.



CREATING VALUE FOR SAUDI ARABIA

Founded by Saudi Aramco, the **In-Kingdom Total Value Add (IKTVA)** program aims to drive value creation and maximize long-term economic growth in Saudi Arabia by increasing:

- The sale of local goods and services;
- Saudi salaries;
- The training and development of Saudi nationals;
- Spending on local suppliers and manufacturers; and
- National revenue (SAR).

LONG-TERM IKTVA GOALS

We continue to integrate IKTVA objectives into our growth and sustainability plans while upholding our long-standing commitments to cost, quality, delivery and safety. Our business model and long-term IKTVA targets are designed to contribute to long-term, tangible benefits, such as:

- Quality jobs for a growing Saudi population
- Innovation within and diversification of our industry; and
- Increased global competitiveness



ADC'S IKTVA TARGETS



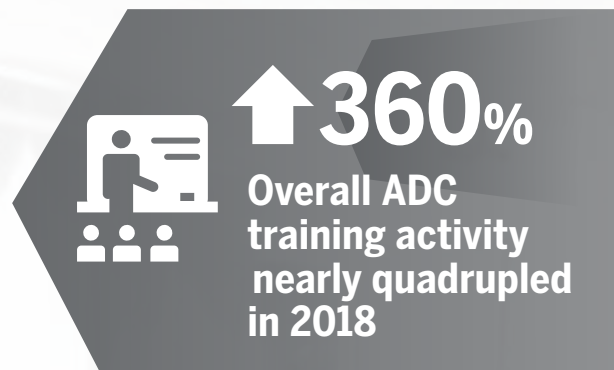
BUILDING LOCAL SUPPLIER CAPACITY

We participate in awareness workshops with our vendors in which we share our five-year IKTVA goals and invite them to become partners in our efforts. We then work closely with suppliers to help them build capacity to meet our requirements. These engagements have led to new contracts with local suppliers.

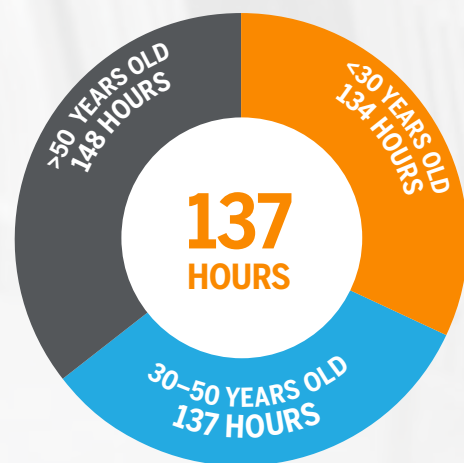


TRAINING AND DEVELOPMENT

We invest in the training and development of all our employees, the majority of whom work on our rigs. These investments are critical to building a qualified workforce able to deliver at high standards and contribute to our culture of excellence. Our training and development programs, especially enhanced to support the ADC expansion project, are also an integral part of our strategy to create a solid talent pipeline to feed ADC operational and managerial needs for years to come.



EMPLOYEE TRAINING HOURS (ANNUAL AVERAGE)



Our employees completed an average of **137 HOURS OF TRAINING**, a 26% increase from 2017.

EMPLOYEE TRAINEES SPONSORED BY ADC 2016-2018



Since 2016, ADC has sponsored **500 SADA AND SPSP TRAINEES**.

ACHIEVEMENTS IN HUMAN RESOURCE MANAGEMENT

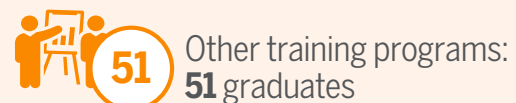
INTERNAL PROGRAMS:



>500 employees enrolled across training programs

EXTERNAL PARTNERSHIPS:

- Active participation in the **Saudi Arabia Drilling Academy (SADA)** and the **Saudi Petroleum Services Polytechnic (SPSP)**



TECHNICAL TRAINING

Next-generation Noor Project (see next page)

Dhahran Training Centre

- Completed ISO certification before target date of H1 2019

Field Technical Assessment Program

- Launched in 2018, with >25% of our field population covered
- Enables detailed Individual Development Plans for these employees

Leadership Training for Rig Supervisors

- Eight 3-day workshops covered all Rig Superintendents and Assistant Rig Superintendents
- Taught leadership skills in developing and motivating teams

Rig Management Seminar

- Newly appointed Rig Managers and Rig Supervisors briefed on ADC
- Addressed departmental support needs and challenges

OFFICE STAFF TRAINING

Fares Program

- Conceived in 2018 as key element of our employee development plan
- Objectives are to identify, assist and develop skills and competencies to support the career growth and progression of ADC office employees
- >100 employees enrolled in Wiser I and II programs:
 - Soft skills training in taking initiative, time management, listening and speaking, and ethics and values

SAP SuccessFactors Portal

- Rolled out for all employees in 2018, including e-onboarding
- Streamlined access to employee information (e.g., pay slips, performance appraisals)
- Launched new performance evaluations and compensation process:
 - Performed 2017 performance appraisals of all office-based and senior rig crew
 - Determined merit increments and performance bonus

NEXT-GENERATION COMPETENCIES: THE NOOR PROJECT

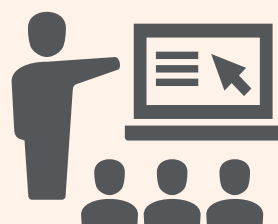
To remain a leading drilling services provider in KSA and enhance our sustainability impact, we have created the Noor project. This next-generation Talent Development Program features new simulation technology, programs, processes and courses aimed at taking ADC's competencies to the next level.

Employees will be trained using new state of the art simulators, including a cyber simulator and crane simulator housed in a new training center, using updated training curriculum.



PHASE I OF NOOR PROJECT COMPLETED ON TIME

- ✓ State-of-the-art simulators were received and installed in 2018
- ✓ Training for the Drilling Systems Instructor Program (DSIP) was developed
- ✓ Advanced training and development courses were finalized



NOOR NEXT STAGES

We are developing Competency Assurance Programs (CAP) for rig-based employees by taking a phased approach to promote continuous training, development and an assessment culture among our employees, while providing competency assurance to our customers.

Several Talent Development Programs and relevant processes are being developed and further strengthened, including:

- Technical Development Programs
- National Workforce Development Programs
- Accelerated Development Programs
- Basic Qualification Programs

MANAGING EMPLOYEES

We continue to prioritize recruiting, hiring and training our fellow Saudis as an integral element of our joint venture agreement and an important national objective. In 2018, we reached 73% Saudization, with a turnover rate as low as 8% across all functions.



ADC has employed MULTIPLE GENERATIONS over the last 50 years. We are honored to be part of your families, and grateful to have you as part of ours!

ADC'S EMPLOYEE BENEFITS PACKAGE

To attract and retain top talent, we offer competitive salaries and comprehensive employee benefits.

LIFE INSURANCE	ATTENDANCE AWARDS FOR RIG STAFF
HEALTHCARE PROGRAMS AND COVERAGE	OFFSHORE STAFF BONUSES
DISABILITY AND INVALIDITY COVERAGE	REMOTE AREA STAFF BONUSES
PARENTAL LEAVE	SENIORITY AWARDS
RETIREMENT PROVISION	ALLOWANCES: TUITION, TRAVEL, MOBILE, FOOD, CAR AND ON-CALL
13TH MONTH SALARY	COST-OF-LIVING PREMIUM BONUSES
OBJECTIVES BONUSES FOR LEADERS AND ABOVE	BONUSES FOR ALL EMPLOYEES

To further support the wellness of our employees, ADC has extended the Cost of Living Premium for all eligible employees and trainees in keeping with the recent Royal decree from His Royal Highness the Custodian of the Two Holy Mosques.



FOSTERING DIVERSITY & EQUALITY

We value diversity and promote equality among our employees. ADC taps into all reservoirs of talent in Saudi Arabia, regardless of gender or region, to recruit the best and contribute to the development of local communities across all regions of the Kingdom.

REGIONAL DIVERSITY

Historically, populations outside of Saudi Arabia's Eastern province had little exposure to the oil & gas industry, and there were high attrition rates among industry workers who did originate from those regions.

ADC has increased the number of new hires from outer regions in recent years. In addition, greater retention rates have been achieved through training and development, as well as attractive rotation schemes and covered travel expenses.

We also collaborate with TAQAT, which works to further develop the labor force in the Kingdom. Coordinating with TAQAT to identify candidates across all regions, our recruiting team traveled across the Kingdom to conduct interviews and select candidates.

In 2018, we received an appreciation certificate for our pioneering role and social responsibility towards the Saudi community, in addition to our strong legacy of talent development and job training efforts in the Kingdom.

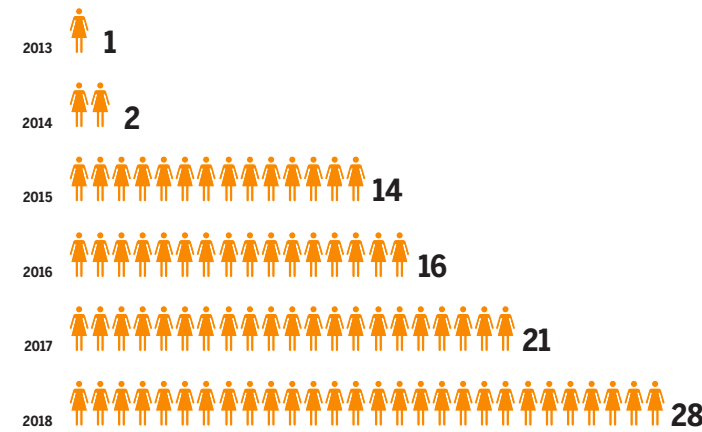
GENDER DIVERSITY

The drilling industry has historically been supported by a male-dominated workforce, and women have only recently entered the industry – even in western countries.

Recognizing the need to recruit women, ADC has been gradually hiring women in office support roles, which have proven to be more popular. Our HR Recruitment Policy states that ADC does not discriminate based on gender, race, religion or other factors.

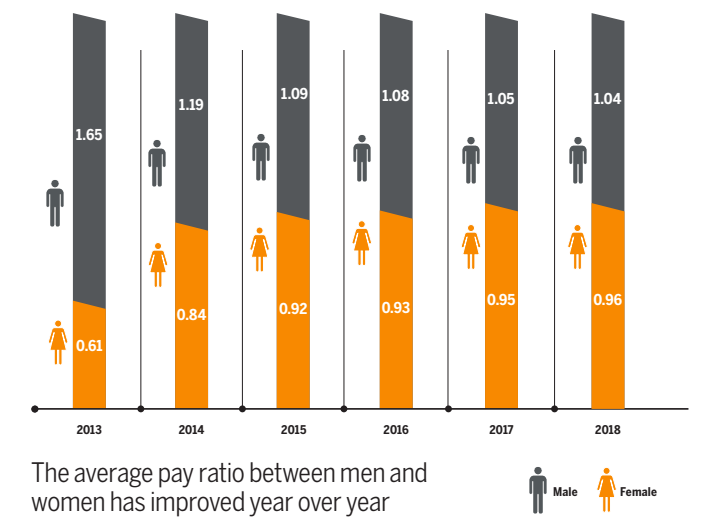
We have made necessary office arrangements for women to feel at ease and in accordance with the labor law requirements, and we gather feedback from female employees on their experience. Current female employees act as “ambassadors” for new recruits and hires, and we have found that women are adapting well to working at ADC.

FEMALE EMPLOYMENT



Female employment at ADC's corporate locations has increased by almost 30 times since 2013.

GENDER DIVERSITY (PAY RATIO)



The average pay ratio between men and women has improved year over year



28 WOMEN IN OUR SUPPORT FUNCTIONS

>20% GOAL FOR WOMEN IN OUR SUPPORT FUNCTIONS BY 2020

50% NEW OPEN POSITIONS FOR WOMEN IN SUPPORT FUNCTIONS GOING FORWARD



2017 | FIRST FEMALE TEAM LEADER APPOINTED

2018 | FIRST FEMALE SUPERVISOR APPOINTED

2018 | FIRST BASIC H₂S TRAINING FOR FEMALE ADC EMPLOYEES



2017



SAUDI COMMUNITIES

To create social value in our broader communities and the Kingdom of Saudi Arabia as a whole, ADC makes significant investments in technical training and employment for Saudi youth, localizing our supply chain, providing public safety education, and charitable giving focused on vulnerable populations. As we continue to grow our business, we seek to enhance our sustainability impact by generating long-term value for Saudi communities.

MAKING DIRECT LOCAL INVESTMENTS

ADC invests in corporate social responsibility (CSR) programs at the community level to promote local sustainable development and to further engage with our stakeholders. Our Community Investment Strategy, aligned with our Policy for Sustainability & Corporate Social Responsibility, focuses on three priorities:

- Contributing to the training and development of Saudi youth (both Saudi men and women)
- Supporting vulnerable families
- Providing safety education for the public

We continued to implement our three-year strategy (2016–2019) last year, working to build a system that will allow us to continuously improve the results we achieve for vulnerable communities. Specifically, our goals are to better align funding with populations experiencing the greatest needs in the Kingdom, and with programs and providers that can concretely demonstrate they are meeting these needs.



CREATING INDIRECT SOCIAL VALUE

Our business creates a range of indirect economic and social benefits for local communities. We see our recent expansion in operations as an opportunity to generate additional indirect benefits related to national employment, small businesses, health and safety, and more.

ECONOMIC BENEFITS



ECONOMIC DEVELOPMENT AND POVERTY REDUCTION

- Saudi talent is regularly employed in our workforce and considered in our recruitment and training initiatives.
- Our career programs continue to ensure that recent Saudi graduates can participate in our employee development initiatives, which include regular assessments, salary adjustments and promotions.



CAPACITY BUILDING AND EMPLOYMENT

- Our ongoing investments in external training programs for Saudi nationals, as well as in-house training centers and on-the-job training, increase Saudi capabilities and opportunities. By training Saudis to work in the drilling industry, we help enhance employment opportunities in the Kingdom.
- ADC continues its participation in all governmental and nongovernmental programs in the Kingdom that teach industry skills to underemployed Saudis, including TAQAT, the Saudi Arabian Drilling Academy (SADA) and the Saudi Petroleum Services Polytechnic (SPSP).



SUPPORT FOR SMEs AND THE SAUDI ECONOMY

- ADC carries on working with local suppliers and encourages small and medium-size enterprises (SMEs) to grow their profits. Such efforts are fundamental to helping to create and retain profits within the Kingdom of Saudi Arabia.

HEALTH & SAFETY BENEFITS



SAFETY AWARENESS AND TRAINING

- Our ongoing safety awareness and training programs for employees, their families, the community, and subcontractors demonstrate the critical importance of safety to ADC. Sharing our knowledge of effective safety procedures is integral to our business.
- We continue to share our fire safety intelligence with local schools.



EMISSIONS REDUCTION AND GROUNDWATER PROTECTION

- The reduction of emissions in new ADC construction continues to be monitored. These reductions can lower costs, improve risk and waste management, help protect groundwater, and reduce toxins transported by dust or wind.
- Overall, these efforts can have a vast impact, both nationally and globally, by enhancing human health and protecting the natural environment.



ENVIRONMENTAL MANAGEMENT

- Our well-established Environmental Management System continues to strongly promote environmental stewardship, including among ADC suppliers.

BUILDING SAUDI CAPACITY

ADC is a major player in the oil and gas drilling sector in the Kingdom and plays an active role in the regional economy. We operate in a challenging work environment for which recruiting Saudi nationals has not always been an easy task. Beginning 25 years ago, however, with no government incentives nor a desire of our own to win awards, we adopted a strategy of localizing our workforce. In the spirit of social responsibility, and our own business interest, we set out to attract Saudi

nationals and give them an opportunity to succeed in this work environment, thus reducing our dependency on expats.

As a service provider, our business model depends on a competent workforce, and developing Saudi talent is a key enabler of the long-term continuity of our line of business. We, therefore, have ambitious initiatives around recruiting, developing and retaining key Saudi talent. As such, we have established relationships with

local universities, technical colleges and local communities to identify candidates suitable for working in the challenging drilling domain.

We have also expanded our hiring efforts to other countries, to bring diverse global talent to the ADC workforce that can enhance knowledge sharing and skills transfer to our Saudi employees.

In October 2018, ADC's Managing Director, Mr. Ali Alghamdi, shared the Company's approach to improving local supply chains at the US-Saudi Arabian Business Council (USSABC) SME Forum in Los Angeles. Mr. Ali Alghamdi shared best practices on leveraging local procurement to support business success.



“Human capital is the biggest obstacle... people drive business.”

Mr. Ali Alghamdi, ADC MD-A

SAUDI RECRUITMENT AND TRAINING EFFORTS

ADC recruits graduate Saudi talent at area universities, and we also recruit and sponsor training for non-graduate Saudi talent. We also place job advertisements in domestic newspapers (Al-Madenah, Al Riyadh, Al Waseet, Al Youm and Okaz) to ensure we are reaching a Saudi audience.



Saudi Petroleum Services Polytechnic (SPSP) Graduation

SPSP was established to meet the needs of the petroleum services industry and support Saudization efforts within the Kingdom. Since 2016, ADC has sponsored more than 350 Saudi youth for two-year training programs at SPSP. The Class of 2018 graduated and joined ADC, where they will continue their training as part of our in-house development program for recent graduates.

Recruitment Campaign at TAQAT

We also organized a large-scale recruitment campaign at TAQAT, in cooperation with the Dammam Energy Center, in the first half of 2018 to recruit more than 500 Saudi youth to train and qualify them to work in our drilling services.

Saudi Arabia Drilling Academy (SADA) Graduation and Job Fair

Having invested in and helped to establish the SADA academy and its curriculum, ADC sponsors our employees in SADA training programs as part of our commitment to training and developing a Saudi workforce.

SADA also held a job fair in August 2018, in Abqiq, at which ADC sought to identify 30 candidates for full-time employment in 2019.



Dammam Technical College

ADC has established a strong partnership with Dammam Technical College, to train its students and then recruit qualified graduates into the ADC workforce.

JOB RECRUITMENT FAIRS

We regularly participate in recruiting fairs at several universities and technical colleges across the Kingdom.





SAFETY EDUCATION

MINISTRY OF EDUCATION SAFETY & SECURITY FORUM

- ADC participated in the first Safety & Security Forum organized by the Ministry of Education to share our industrial expertise in the area of safety, including our use of rig simulators to safely train our recruits and employees

SAUDI ARAMCO HSE EXHIBITION

- We provided health information as well as first aid and CPR training for guests and delegates at this HSE exhibition sponsored by Saudi Aramco in December 2018.

LEADING PRACTICES WORKSHOP – RESPONSIBLE COMPETITIVENESS

Having received top honors for Responsible Competitiveness in the 2017 King Khalid Awards, ADC was invited to a Leading Practices Workshop in 2018 at which we shared the practices that led to our first-place recognition, with a focus on our Saudi recruitment and training efforts.

COAST GUARD SAFETY EXHIBITION

- ADC Khafji held a teaching event at the Coast Guard to demonstrate personal protection and safety equipment procedures for both maritime and land workers, including first aid and fire safety tools and techniques.

SIXTH ANNUAL KHAFJI FESTIVAL

- In early 2018, ADC Khafji held its sixth “All of Us Are Khafji” festival, at which staff celebrated 20 years in operation. Activities included a review of ADC achievements, community programs, and national training initiatives, as well as important safety demonstrations.

HELPING COMMUNITIES

SUPPORT FOR PRISONERS & THEIR FAMILIES

We were recognized as one of the main sponsors of the National Committee for the Care of Prisoners and Their Families, Eastern Province, in 2018. An appreciation plaque was presented to ADC by Mr. Bader Al-Namshan.



SPONSORSHIP OF WOMEN'S DRIVING INITIATIVE

We supported the recent governmental resolution granting women the right to drive by sponsoring an initiative with Al-Khafji Traffic Control, in June 2018.

INTERNATIONAL CIVIL DEFENSE DAY

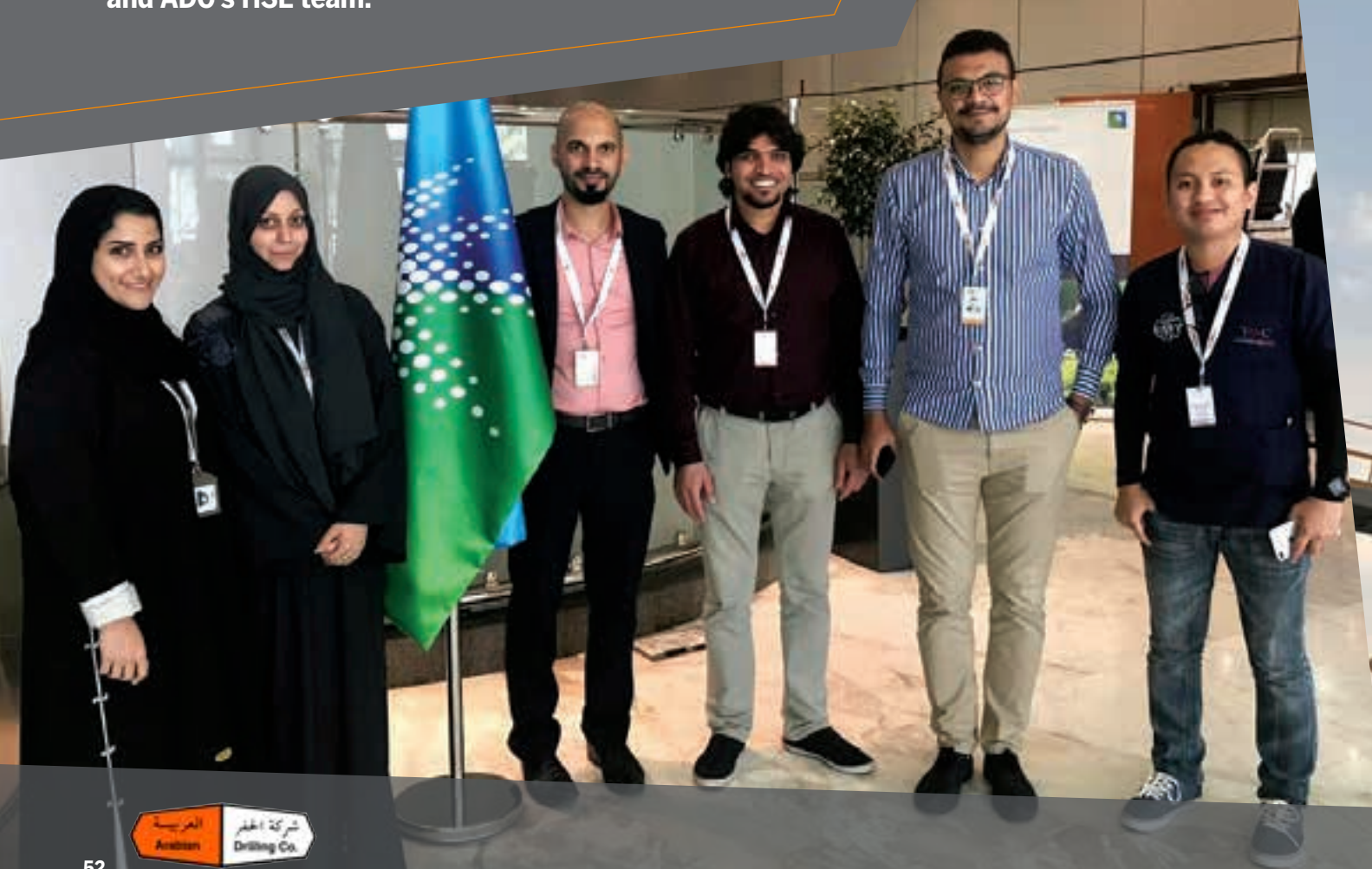
- ADC established a booth during the Dhahran Expo in the Eastern Province, in February-March 2018.

The purpose of our participation was to:

- Share safety concepts
- Foster awareness of preventive actions
- Enhance precautionary measures towards all potential risks and accidents

MEDICAL INITIATIVES

- A well-attended educational event in our Health Lounge covered important medical topics.
- Flu vaccinations were provided for employees and families several times throughout 2018.
- Medical checkups were offered during our recruitment conference.
- Employees received simple health tests at a health and fitness event sponsored by Aramco and ADC's HSE team.



ENVIRONMENTAL STEWARDSHIP

We aim to continually improve our environmental performance even as we increase market share, mindful of inherent challenges in our sector. We focus our efforts on areas of greatest potential impact—energy, water and waste—at our rigs, base compounds and offices.

Environmental Compliance

At ADC, we seek to comply with the spirit and letter of applicable environmental laws and regulations wherever we operate. ADC's employees strive to set high standards. Our well-defined environmental policy emphasizes compliance, risk mitigation and accountability for responsible environmental practices on the part of all our employees, suppliers and contractors.

A dedicated Environmental Management Standard (EMS) helps us measure, monitor and manage our company's environmental impacts and improve our performance in this area. Our established EMS has been reviewed and approved by our main client, Saudi Aramco, and assured by ERM Certification and Verification Services Ltd. for compliance with the ISO 14000:2015 Environmental Standard.

To minimize environmental impacts from our activities, our EMS covers a wide range of areas, including:

- Resource optimization
- Waste segregation, reduction and recycling
- Spill prevention and mitigation

Being a Schlumberger Joint Venture, we also implement the Schlumberger Environmental Management Standard SLB QHSE 008 and the Environmental Basis of Organisation Knowledge (Environmental B.O.O.K.).

Focus on Facilities

We make a concerted effort to minimize the environmental impacts of our buildings. To maximize efficiency and reduce consumption, we use an automated building management system and invest in renewable energy sources, equipment upgrades, lighting retrofits, and other solutions. In 2018, we continued to implement our multi-year Facilities Sustainability Vision and Execution Plan for upgrades and new construction. In 2018, we also refurbished the offices of our Finance and Supply Chain functions.



UPGRADES & NEW CONSTRUCTION

2017

PHASE 1

SCOPE

- Head Office
- Two floors in Al-Khobar corporate office
- Open office design for 105 workspaces

FEATURES

- 100% LED lighting
- Occupancy sensors for lighting and air conditioning
- Automated Building Management System for control and efficiency

2018 – 2019

PHASE 2

SCOPE

- Head Office
- Ground and mezzanine floors, parking lot
- Open office design for 83 workspaces

FEATURES

- 100% LED lighting
- Occupancy sensors for lighting and air conditioning
- Automated Building Management System for control and efficiency

PHASE 3

SCOPE

- Dhahran Site
- 2,500 m² plot
- State-of-the-art drilling training center with immersive simulator technology
- Capacity for 200 trainees daily
- Riyadh New Road Site
- 250,000 m² plot
- New operational base

FEATURES

- Silver LEED certification
- 10,000 m² of rooftop solar panels
- Water recycling plant for irrigation and equipment washing reuse
- Training center (13 classrooms + 4 simulator labs)
- Centralized warehouse with industry-leading storage management systems
- LEAN maintenance workshops that enable in-house OEM recertification
- Accommodation for approximately 400 staff
- Indoor and outdoor recreational facilities

ENERGY & EMISSIONS

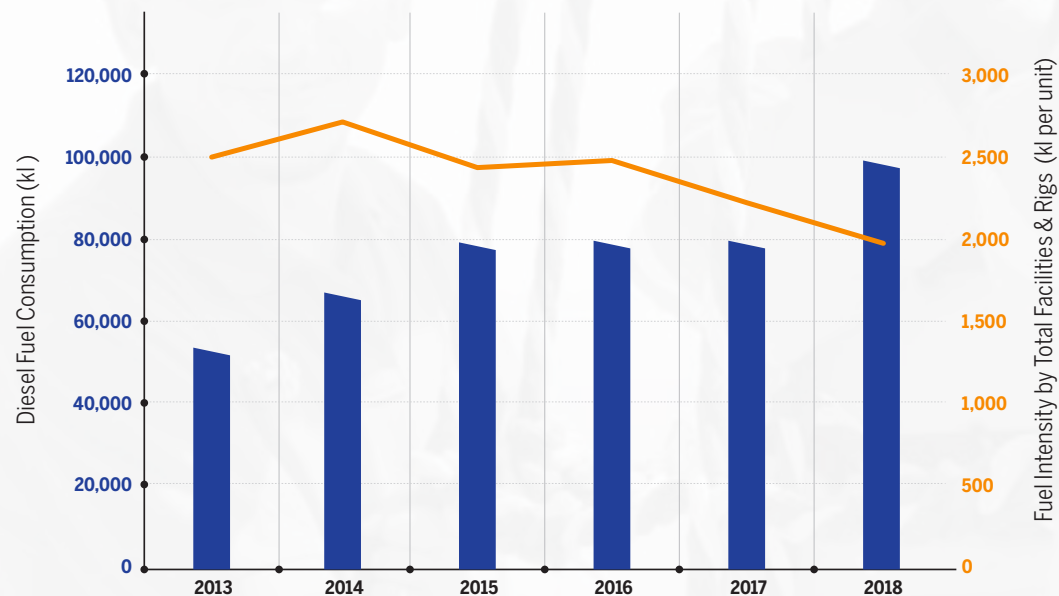
We focus on three main priorities to manage our energy impact:

- Energy efficiency
- Resource conservation
- Emission reductions

Making progress in these areas is good for the environment as well as for our business: we manage our impact on natural ecosystems while also reducing our dependency on a limited fossil fuel supply. Benefits to our business also include maintaining our license to operate, better managing risk, lowering costs and supporting company growth.

We are committed to reducing our use of non-renewable energy at our facilities — across our rigs, base camps, compounds and offices. Our Technical and Operations departments oversee our efforts in these areas. Energy management is the key to saving energy at ADC. We review consumption data, execute inspections and maintenance, and keep fuel consumption records.

FUEL USE



Fuel intensity per facility and rig has decreased by 11% since 2017, despite an increase of 60% in the number of ADC's facilities and rigs.



Monitoring, controlling and reducing our energy consumption enables ADC to:

- Reduce costs, as energy prices continue to rise
- Reduce carbon emissions and environmental damage
- Reduce risk related to potential energy price increases, legislation or supply shortages that could seriously affect profitability

FOCUS ON RIGS

Diesel-powered engines at rig sites account for the majority of carbon emissions in the drilling industry. Operational requirements demand six to eight diesel engines per rig, running 24/7, to provide power to the rig and camp. Smaller engines also contribute to operational emissions. ADC leverages leading technologies to maximize our rig efficiency and reduce the release of greenhouse gases.



We use an SAP PLANT MAINTENANCE SYSTEM to optimize maintenance of all ADC assets, equipment and facilities. Preventive maintenance increases engine efficiency and reduces emissions and operating costs.



ADC-43 rig, part of our Ghawar Gas Project in Saudi Arabia, is the proud recipient of the inaugural RIG CONTRACTOR QUARTERLY AWARD for Q1 2018 given by IDS. The award recognizes our crew members' contributions and commitment to EFFICIENCY and SCHLUMBERGER-LEVEL SAFETY.



WATER

As a company headquartered in one of the driest regions of the world, we recognize the pressing global challenges of water availability. Demand for potable water is increasing globally, and the current rate of freshwater consumption is not sustainable. At ADC, we believe we must help manage this crisis and save water for future generations.

Our HSE, Technical and Operations departments oversee our water-conservation objectives:



Minimize water use through water-saving low-flow technologies, routine inspections for water leaks and employee awareness campaigns



Reduce consumption of potable water by tracking our daily consumption and reviewing data on a regular basis, and through employee awareness campaigns



272.5m³ saved per hour, per rig
Save and reuse wastewater using a centrifuge pump, resulting in savings of at least 272.5 cubic meters of utility water per hour, per rig

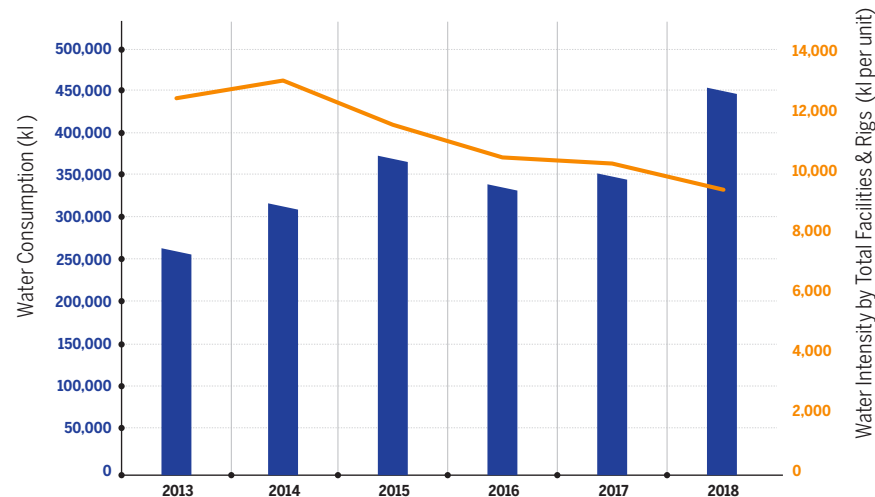
Our conservation initiatives have led to significant efficiencies and water savings:

1 AVERAGE DAILY WATER SAVINGS PER RIG:
UP TO 13,824 LITERS

1 AVERAGE ANNUAL WATER SAVINGS PER RIG:
UP TO 1.26 MILLION LITERS

We also seek to minimize harmful discharges to the environment from offshore rigs. We use separators and treatment units regularly maintained through our Preventive Maintenance System; contract with certified, third-party laboratories to analyze offshore samples; and review the resulting data.

WATER USE

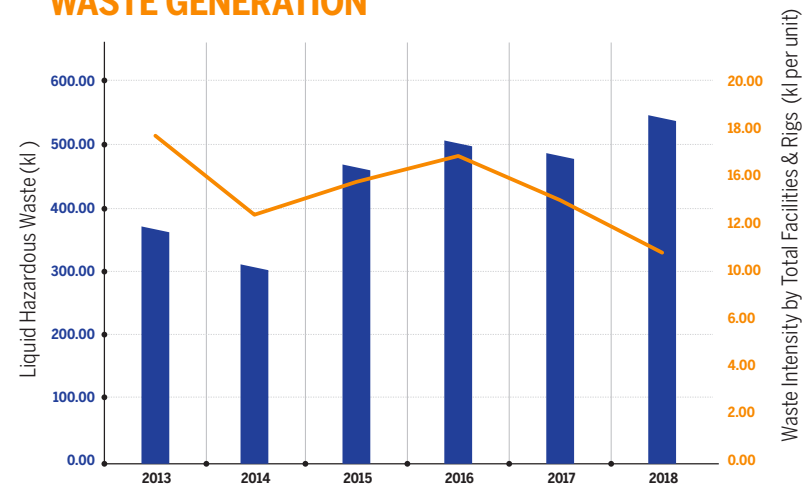


Water intensity per facility and rig has decreased by 8% since 2017.

WASTE

Inadequate solid waste collection, storage and disposal is hazardous to human health and harmful to the environment. ADC has implemented a waste management program to establish rules in compliance with national regulations and international standards, as well as the requirements of Aramco Environmental Standards. We are committed to reducing, segregating and recycling waste. We also use approved and licensed contractors to responsibly manage waste generated from our activities and operations.

WASTE GENERATION



Liquid Hazardous Waste generation decreased by 19% in 2018, despite an increase of 60% in the number of ADC's rigs during the same period.



We were pleased to participate in a coastal cleanup campaign at Al Azizyah Beach in 2018, organized by SPE International, Trips & Social Activities, TAQA and Dhahran Drive Association.

In addition to clearing waste that could harm the natural ecosystem, the campaign included an awareness program designed to educate the public on reducing litter and contributing to a clean and healthy natural environment.

Our HSE, Operations and Facility departments oversee and measure the effectiveness of our waste management program by:



Capturing and reviewing data on waste generation and disposal



Monitoring our waste management disposal scheme



Performing regular internal environmental audits at all locations

7 **30**

Conducting weekly and monthly inspections

100%

100% of waste oil recycled for the past 6 years

0

0 hazardous waste spills in the last 6 years



APPENDIX

ADDITIONAL FACTS & FIGURES

OPERATIONS						
	2013	2014	2015	2016	2017	2018
Total Assets (SAR million)	4,290	5,115	6,126	6,061	5,885	9,641
Total Facilities + Rigs	21	24	32	32	35	49

EMPLOYEE HEADCOUNT												
	2013		2014		2015		2016		2017		2018	
Total Employees	2,340		3,068		3,616		3,584		3,321		4,737	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total	2,339	1	3,066	2	3,602	14	3,568	16	3,300	21	4,709	28
Managers and above	32	0	39	0	46	0	49	0	51	0	76	0
Under 30 years old	0	0	0	0	0	0	0	0	2	0	1	0
30-50 years old	17	0	26	0	25	0	28	0	33	0	52	0
Over 50 years old	15	0	13	0	21	0	21	0	16	0	23	0
Saudi	14	0	16	0	19	0	20	0	22	0	26	0
Non-Saudi	18	0	23	0	27	0	29	0	29	0	50	0
Non-rig Employees	276	1	341	2	362	14	204	16	273	21	378	28
Under 30 years old	8	1	24	1	30	4	24	6	37	12	58	13
30-50 years old	202	0	245	1	250	10	137	10	190	9	264	14
Over 50 years old	66	0	72	0	82	0	43	0	46	0	56	1
Saudi	175	1	207	1	221	14	130	16	160	21	230	28
Non-Saudi	101	0	134	1	141	0	74	0	113	0	148	0
Rig Employees	2,063	0	2,725	0	3,240	0	3,364	0	3,212	0	4,331	0
Under 30 years old	591	0	948	0	1,277	0	1,357	0	1,456	0	1,921	0
30-50 years old	1,213	0	1,518	0	1,693	0	1,743	0	1,553	0	2,201	0
Over 50 years old	259	0	259	0	270	0	264	0	203	0	209	0
Saudi	1,419	0	1,855	0	2,247	0	2,390	0	2,448	0	3,184	0
Non-Saudi	644	0	870	0	993	0	974	0	764	0	1,147	0
Employees Hired	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total	821	0	1,146	1	1,029	14	300	2	283	6	1,800	8
Under 30 years old	408	0	600	0	636	4	178	2	194	6	1,041	4
30-50 years old	382	0	509	1	333	10	92	0	72	0	705	3
Over 50 years old	31	0	37	0	60	0	30	0	17	0	54	1
Employee Turnover (includes termination, resignation, retirement, death and redundancy)	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total	277	0	419	0	493	2	449	0	436	1	392	0
Under 30 years old	132	0	260	0	274	1	219	0	153	0	221	0
30-50 years old	121	0	133	1	176	1	155	0	208	1	132	0
Over 50 years old	24	0	26	0	43	0	75	0	75	0	39	0

TRAINING & DEVELOPMENT												
	2013		2014		2015		2016		2017		2018	
Average Hours of Training	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total	33.45	8.00	38.23	8.00	37.70	8.00	111.00	15.00	110.00	22.00	138.00	23.00
Under 30 years old	21.00	8.00	39.00	8.00	37.00	8.00	41.00	14.00	110.00	25.00	135.00	18.00
30-50 years old	48.00	0.00	38.00	8.00	29.00	8.00	61.00	16.00	28.00	19.00	138.00	19.00
Over 50 years old	11.00	0.00	39.00	0.00	39.00	0.00	10.00	0.00	26.00	0.00	148.00	40.00
Saudi	13.63	8.00	41.65	8.00	39.77	8.00	104.00	15.00	136.00	22.00	171.00	22.00
Non-Saudi	75.84	0.00	31.21	0.00	33.20	0.00	6.96	0.00	42.00	0.00	50.00	0.00
Percentage of Employees Who Received Regular Performance and Career Development Review	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total	N/A	N/A	84%	0%	88%	85%	91%	75%	92%	92%	93%	100%
Under 30 years old	N/A	N/A	93%	0%	79%	67%	96%	44%	96%	90%	90%	100%
30-50 years old	N/A	N/A	80%	0%	96%	93%	89%	93%	93%	93%	90%	100%
Over 50 years old	N/A	N/A	76%	0%	79%	0%	72%	0%	73%	0%	75%	0%
Saudi	N/A	N/A	89%	0%	88%	85%	96%	75%	96%	90%	96%	100%
Non-Saudi	N/A	N/A	72%	0%	88%	0%	77%	0%	80%	0%	85%	0%

HEALTH & SAFETY						
Incident Rates for Employees	2013	2014	2015	2016	2017	2018
Injury Rate (IR)	2.71	1.84	2.13	2.51	1.54	1.08
Occupational Disease Rate (ODR)	0.43	0.17	0.46	0.15	0.00	0.00
Lost Day Rate (LDR)	0.14	0.23	0.80	0.35	0.27	0.14
Absentee Rate (AR)	0.0001	0.0002	0.0002	0.0004	0.0003	0.0002
Work-Related Fatalities	0	0	0	0	0	0
Incident Rates for Workers (contractors, etc.)	2013	2014	2015	2016	2017	2018
Injury Rate (IR)	0.86	0	0	0.42	0	0
Occupational Disease Rate (ODR)	0	0	0	0	0	0
Lost Day Rate (LDR)	0	0	0	0	0	0
Absentee Rate (AR)	0	0	0	0	0	0
Work-Related Fatalities	0	0	0	0	0	0

ADDITIONAL FACTS & FIGURES CONTINUED

RESOURCE CONSUMPTION						
Energy	2013	2014	2015	2016	2017	2018
Fuel (kl of diesel)	52,322	65,192	2.13	80,315	79,239	98,825
Fuel Intensity by Total Facilities + Rigs (kl per unit)	2,492	2,716	2,479	2,510	2,264	2,017
Water	2013	2014	2015	2016	2017	2018
Water from Municipal Utility (kl)	260,956	309,299	368,356	336,595	352,782	452,191
Water Intensity by Total Facilities + Rigs (kl per unit)	12,426	12,887	11,511	10,519	10,079	9,228
Waste	2013	2014	2015	2016	2017	2018
Liquid Hazardous Waste (kl)	364.00	313.60	465.34	501.72	481.48	544.33
Liquid Hazardous Waste Intensity by Total Facilities + Rigs (kl per unit)	17.33	13.07	14.54	15.68	13.76	11.11
Recycled Liquid Hazardous Waste (kl)	364.00	313.60	465.34	501.72	481.48	544.33
% Recycled	100%	100%	100%	100%	100%	100%
Solid Non-Hazardous Waste (tonnes)	231.19	163.95	486.82	1,114.63	1,084.05	2,397.43
Solid Non-Hazardous Waste Intensity by Total Facilities + Rigs (tonnes per unit)	11.01	6.83	15.21	34.83	30.97	48.93
Landfill (tonnes)	231.19	163.95	486.82	1,114.63	1,084.05	2,397.43

SUPPLY CHAIN MANAGEMENT						
Percentage of New Suppliers Assessed	2013	2014	2015	2016	2017	2018
Environmental Criteria	100%	100%	100%	100%	100%	100%
Social Criteria	100%	100%	100%	100%	100%	100%
Local Procurement	2013	2014	2015	2016	2017	2018
Percentage of Procurement Budget Spent on Local Vendors	N/A	42%	49%	68%	72%	40%
Supplier Satisfaction	N/A	N/A	91%	95%	Assessment in Process	No update

CUSTOMER SATISFACTION						
Service Quality Appraisal Rating	2013	2014	2015	2016	2017	2018
Service Quality Appraisal Rating	N/A	N/A	88%	90%	92%	92%

GRI INDEX

GRI STANDARD DISCLOSURE NUMBER	DISCLOSURE TITLE	INFORMATION	PAGE NUMBER
102-01	Name of the organization	The Arabian Drilling Company, LLC (ADC)	
102-02	Activities, brands, products, and services		2
102-03	Location of headquarters	Al-Khobar, Saudi Arabia	
102-04	Location of operations	Kingdom of Saudi Arabia (KSA) and greater Gulf Cooperation Council (GCC) region	2
102-05	Ownership and legal form	Limited Liability Partnership	14
102-06	Markets served		2, 21
102-07	Scale of the organization	Scale expressed in terms of Assets Under Ownership, Total Facilities & Rigs and Employee Headcount, as these are standard metrics for ADC's industry	62
102-08	Information on employees and other workers	All employee data has been tracked and compiled by ADC's Human Resources department.	62
102-09	Supply chain		3, 30-32, 37, 45-46, 64
102-10	Significant changes to the organization and its supply chain	ADC expanded its fleet by over 60%, adding 16 new rigs. ADC also expanded its workforce by 51%, onboarding 1800 employees. Changes to facilities are described on the pages indicated, with no other significant changes to the organization's supply chain.	18-21
102-11	Precautionary Principle or approach	ADC does not formally commit to the Precautionary Principle, though the company aims to use the best available technology to mitigate environmental impact of its equipment and operations wherever possible, as soon as technologically available and provided that safety standards are met.	54-55, 57-59
102-12	External initiatives	Vision 2030, Saudi Aramco IKTVA Excellence Award, King Khalid Foundation Responsible Competitiveness Award, ISO Standards	4, 8-9, 30-31
102-13	Membership of associations	None	
102-14	Statement from senior decision-maker		4-5
102-16	Values, principles, standards, and norms of behavior		3-6, 12-13
102-18	Governance structure		10-13
102-40	List of stakeholder groups		14-15
102-41	Collective bargaining agreements	Not applicable for Saudi Arabia.	
102-42	Identifying and selecting stakeholders		14-15
102-43	Approach to stakeholder engagement		14-16
102-44	Key topics and concerns raised		14-17
102-45	Entities included in the consolidated financial statements	OFSAT Arabia	
102-46	Defining report content and topic Boundaries		14-16
102-47	List of material topics	High: Occupational Health & Safety, Employment, Training & Education, Indirect Economic Impact, Local Communities, Environmental Compliance, Effluents & Waste, Diversity & Equal Opportunity; Medium: Procurement Practices, Water, Energy, Supplier Environmental Assessment, Supplier Social Assessment; Low: Emissions, Customer Privacy. Disclosures for GRI Topics of High and Medium Materiality to ADC have been included in this report, in accordance with Core reporting requirements, as indicated in the GRI Index.	16
102-48	Restatements of information	Not applicable	
102-49	Changes in reporting	Not applicable	
102-50	Reporting period	1 January 2018 - 31 December 2018	2
102-51	Date of most recent report	- March 2018	
102-52	Reporting cycle	Annual	2

GRI INDEX CONTINUED

GRI STANDARD DISCLOSURE NUMBER	DISCLOSURE TITLE	INFORMATION	PAGE NUMBER
102-53	Contact point for questions regarding the report	Mr. Tawfeeq Ibrahim Al-Halal	
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.	2
102-55	GRI content index	GRI content is provided here.	
102-56	External assurance	This report did not undergo external assurance.	
103 (203)	Management Approach: Indirect Economic Impacts		10-16, 45-52
103 (204)	Management Approach: Procurement Practices		10-16, 22-23, 30-31
103 (302)	Management Approach: Energy		10-16, 54-57
103 (303)	Management Approach: Water		10-16, 54-55, 58
103 (306)	Management Approach: Effluents & Waste		10-16, 54, 59
103 (307)	Management Approach: Environmental Compliance		10-16, 54
103 (308)	Management Approach: Supplier Environmental Assessment		10-16, 30-31
103 (401)	Management Approach: Employment		10-16, 33-34, 38-41
103 (403)	Management Approach: Occupational Health and Safety		10-16, 35-36, 46, 48-50
103 (404)	Management Approach: Training and Education		10-16, 38-41, 46, 50
103 (405)	Management Approach: Diversity and Equal Opportunity		10-16, 37, 41-43, 45
103 (413)	Management Approach: Local Communities		10-16, 45-52
103 (414)	Management Approach: Supplier Social Assessment		10-16, 30-31
203-2	Significant indirect economic impacts		30-31, 37, 45-52
204-1	Proportion of spending on local suppliers	ADC defines "local" as within the Kingdom of Saudi Arabia. The topic includes all locations of operation.	3, 30, 37, 46, 64,
302-01	Energy consumption within the organization	ADC's significant source of energy consumption is diesel fuel, which has been reported in kl. No other energy consumption type has been deemed material for disclosure.	56-57, 64
302-03	Energy intensity	Energy intensity is reported as kl of diesel fuel used per facility/rig, as this is most applicable to ADC's industry and operations.	3, 56, 64
303-1	Water withdrawal by source	All water use data reported is sourced from municipal water supplies or other public or private water utilities.	3, 58, 64
306-02	Waste by type and disposal method	All waste generation and disposal data reported has been provided by clients and disposal contractors.	3, 31, 59, 64
306-03	Significant spills		59

GRI INDEX CONTINUED

GRI STANDARD DISCLOSURE NUMBER	DISCLOSURE TITLE	INFORMATION	PAGE NUMBER
307-1	Non-compliance with environmental laws and regulations	ADC has not incurred any fines or non-monetary sanctions for noncompliance with environmental laws or regulations.	54
308-1	New suppliers that were screened using environmental criteria		31, 46, 54, 62-64
401-1	New employee hires and employee turnover	Hiring and turnover data is currently tracked by age group and gender, and will be disclosed by region in future reports.	18, 20, 33-34, 43, 62-64
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	This includes all ADC employees in all locations of operation.	41
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		3, 28-29, 35, 62-64
404-1	Average hours of training per year per employee		33-36, 38-40, 62-64
404-2	Programs for upgrading employee skills and transition assistance programs		33-36, 38-40, 46, 47-49, 62-64
404-3	Percentage of employees receiving regular performance and career development reviews		62-63
405-1	Diversity of governance bodies and employees		14, 33, 37, 41-43, 62-64
405-2	Ratio of basic salary and remuneration of women to men	Ratio of basic salary and remuneration of women to men includes corporate positions as these are the only positions currently held by women at ADC. It includes all locations of operation where women are employed by ADC.	42-43
413-2	Operations with significant actual and potential negative impacts on local communities	By nature of ADC's business, the operational location of rigs are not fixed. They are either located in remote areas onshore, or are located offshore. ADC's potential negative environmental and social impacts and management initiatives for all facilities and rigs are described on the indicated pages.	22, 33-36, 45-46, 54-59
414-1	New suppliers that were screened using social criteria		31, 64



This report was produced in consultation with AccountAbility, a global consulting and standards firm that works with business, governments and multi-lateral organizations to advance responsible business practices and improve their long-term performance.

Arabian Drilling Company

Since 1964, ADC has been a regional pioneer and leader in oil and gas drilling services. We support the drilling industry with innovative technological solutions to tackle some of the most critical challenges in our sector, while also fostering a culture focused on our people and local communities.