

Establishing a Steadfast Cadence in Our Journey to a Sustainable Future

Arabian Drilling Company
Sustainability Report, 2019

العربية
Arabian

شركة الحفر
Drilling Co.



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

Table of Contents

About this Report.....	05
ADC at a Glance.....	06
Leadership Message.....	08
About Us.....	12
Awards & Recognition.....	18
Sustainable Values.....	22
Sustainable Operations.....	38
Occupational, Health and Safety.....	50
Sustainable Economy.....	58
Sustainable Environment.....	66
Sustainable Society.....	74
Appendix.....	89
GRI Content Index.....	94



About this Report

The year 2019 established a steadfast cadence in ADC's (Arabian Drilling Company) journey towards a sustainable future. A paradigm shift in the year 2018 strengthened our potential and competitiveness. Taking this into account, we adopted a pragmatic approach to set the new bar for the year 2019. It's been quite a journey since we laid the foundation to achieve a harmonious growth. We are thrilled that, our people have always been the stepping stones in an endeavor towards a sustainable growth.

Sustainable ADC

This is ADC's third sustainability report that illustrates its economic, social and environmental performance, as well as the development and initiatives for the calendar year 2019 (1st January, 2019 to 31st December, 2020). The report outlines ADC's sustainability strategy, approach and performance during the reporting year.

As we embarked upon the journey of global expansion we continued to meet the expectations of our stakeholders. This report is aimed for stakeholders who wish to learn more about ADC's accomplishments, engagements and best practices. This year's report exhibits the ways through which ADC has leveraged new technologies, contributed to the regional economy, and has safeguarded the environment during the year 2019.

Report Content and Significant Changes

The report comprises our all operations during the year 2019, including rigs and corporate office. ADC engaged with the stakeholders for identification of the material topics that influenced the assessment, and had substantial impact on the decision making process of the company's business in 2019. The material topics that significantly impact the business and are relevant to our stakeholders form the epicenter of this report.

The report focuses on seventeen material topics (see page no. 37) of our sustainability strategy, which are aligned with our business priorities. In the year 2018, fifteen materiality topics were addressed and reported, and this year we have incorporated two additional topics in the Sustainability Report 2019. We have developed a materiality assessment exercise that considers the sustainability context and involves a review of stakeholder concerns. For each material topic, we have outlined ambitions, goals, and programs. In view of our stakeholders' expectations and for a better understanding of our performance, we have also provided the data and information for the previous years. Various actions that were carried out at ADC are also included, along with the quotes of the stakeholders, thus allowing them to express their own views on our performance (see page no. 45). There is no significant restatement of information given in previous reports.

Global Reporting Initiative (GRI)

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: 'Core' Option. The core sections include ADC's efforts and commitment towards Sustainable Values, Economy, Operations, Society, and Environment. We have included details about our future commitments and targets to uphold all pillars of sustainability. We have listed all references and the corresponding page numbers in the GRI content index (on page no 94).

Reporting Topic Boundaries

The material topics' boundaries include entities within ADC's direct control. These include direct employees, owned assets, and ADC's subsidiary located in the Al Khobar district of Saudi Arabia. For certain topics, the reporting boundaries also take into consideration contractors, suppliers, and vendors with whom ADC has relationships for various business activities. The boundaries are clearly defined throughout the report for each topic.

Supporting Saudi Vision 2030

In 2016, we aligned ourself with the Kingdom's Vision 2030, through its 2030 Vision Check Program. We evaluated ADC's performance in terms of supporting the Vision's pillars - building an ambitious nation, a vibrant society and a thriving Saudi economy. We will continue to align our performance, goals and targets with the Kingdom's Vision 2030 to ensure industry leadership is responsible for competitiveness, workforce development, and Quality, Health, Safety and Environment (QHSE) Management.

Contributing to the United Nations (UN) Sustainable Development Goals (SDGs)

We at ADC, support the UN SDGs. **Our contribution to eight of the Seventeen SDGs** is highlighted throughout the report, including indicators to measure our performance against these goals.

Availability

This sustainability report is available in PDF format on www.arabdrill.com, along with the reports for the previous years. (ADC Sustainability Report 2017 and 2018).

Feedback and Suggestions

We welcome any feedbacks and suggestions on our activities and operations, including our sustainability performance and commitments. Please direct all your feedbacks to the email: sustainability@arabdrill.com.


ADC at a Glance


Quick Facts

SAR 7461 million Total Asset Value 


169 Wells Drilled 2019 


6 Facilities 


6 Offshore Fleet Size 


50% IKTVA Target Achieved 

56 Years of Service 

75% Saudization Rate 

38 Onshore Fleet Size 

100% Utilization of our rig fleet 

>4500 Employees 

95% Code of Conduct Awareness Achieved 



Key Highlights of 2019

- Only drilling contractor to win IKTVA Excellence Award from Saudi Aramco for four years in a row.
- ADC has the best year in terms of Health Safety & Environment (HSE) performance in past five years.
- We won the best overall IKTVA Performance Award from one of our major clients, Schlumberger.
- ADC pioneered 'Gender Diversity and Promoted Female Employment in workforce' in Kingdom of Saudi Arabia (KSA).
- One of the ADC rigs was recognized for Best Tripping Speed Performer across IDS Global Dashboard.
- First drilling company in kingdom where female employees have been empowered to visit rig sites.
- One of the ADC rigs was recognized for Best Connection Time among Integrated Drilling Services (IDS) Rigs Worldwide.



- We won the Silver SAP Middle East and North Africa (MENA) Quality Award for ADC SAP implementation.
- We sustained the ambitious growth of our subsidiary company "OFSAT Arabia" by investing in new equipment and hiring more than 175 new employees, thus, achieving a 46% increase in workforce while improving the Saudization rate for OFSAT Arabia to a new record of 39%.
- International Organization for Standardization ISO 9001:2015 Quality Management system and ISO 29993:2017 Training Practice for non-formal education which is unique in its kind in the Kingdom.
- Regional drilling leader with one of the largest rig fleets, client portfolios and geographical footprints in the Middle East.
- ADC transitioned to a new era of digitalization by launching "Tayseer" a self-service platform and managing employee data changes electronically which enabled our employees to have the best in class service.
- In reporting year, we have accomplished 145,248 Total Training Man/hours.
- ADC accelerated the field technical assessments and development plan, achieving 75% of the targeted field employees.

Leadership Message



Ali Hamid Alghamdi
Managing Director – Administration

Welcome to ADC's
Sustainability Report for
the year 2019.

For the past three years in a row we are delighted to share our sustainability report with our stakeholders as per the international standards.



Shams Rehman
Managing Director – Technical

The 2019 ADC Sustainability Report marks another milestone to reinforce our position as a sustainable organization. After the massive transformation in 2018, the year 2019 was set to focus on maintaining steadiness and we did perform exceptionally well, given the magnitude of challenges.

We are committed to maintain a sustainable organization that helps to meet the Kingdom of Saudi Arabia's growing energy needs in a safe, environmentally responsible, and socially sensitive while remaining competitive. Our commitment to a long-term value creation is built on the Saudi Vision 2030, and we are inspired and guided in our activities by the United Nations (UN) Sustainable Development Goals (SDGs).

Since our inception in 1964, we have developed industry knowledge, fostered innovative technologies and robust policies, to safely and efficiently operate in the kingdom. *We have positioned ourselves as one of the largest drilling contractors in the Kingdom of Saudi Arabia by identifying and responding to the requirements of our clients and the changing trends in the oilfield industry.* We record, monitor and analyze array of data from each project, distilling the best practices to protect our people, deliver exceptional service quality to our customers, and increase the positive impact on the environment and local communities.

Our 2019 Sustainability Report highlights a comprehensive approach to our incessant sustainable practices that are integrated into our

long-term strategy and daily operations. We drive progress on our sustainability agenda by implementing programs that cover five cornerstones: **Governance; Health, Safety & Environment (HSE); People & Community; Training & Education; and Innovations & Operations.**

Governance: We believe transparency in reporting is a vital part of being a trusted energy partner. In 2019, our company continued to be recognized for the quality of our environmental, social and governance disclosures, reinforcing our position as a top performer in our industry.

In ADC, we encourage ethical stance and have institutionalized best practices to complement system transparency and privacy. We accomplished 95% awareness on the Code of Conduct to safeguard a culture that reflects our values. We have enhanced our Delegation of Authority (DoA) Matrix, which has accelerated our process of approvals.

We have developed guidelines for Electronic Data Management System (EDMS) implementation. We have developed and implemented Enterprise Risk Management (ERM) framework that will enable ADC to have a competitive edge in the drilling industry.



HSE: We had the *best year* in terms of HSE performance in the past 5 years.

We have worked, and will continue to work, strategically, innovatively, and safely in our operations in line with our ambition to continue to be the industry leader in HSE performance. We do this as safety of our people is, and will always be, our foremost priority.

A strong safety culture permeates everything we do and stand for, onshore as well as offshore. We have been consistently improving incident-free operations by achieving: 8% reduction in Lost Time Injury (LTI) frequency rate compared to 2018, 6% reduction in Total Recordable Case Frequency rate compared to 2018, 41 rigs without any LTI, and 35 rigs without any recordable HSE events in 2019.

People & Community: A company is defined by its values. We achieved our *best ever Saudization* rate and maintained it above 75% throughout 2019.

To build the right team and attract talent, we develop our employees and strive to provide them with favorable working conditions. We are profoundly gratified to play our role in providing affordable energy to the Kingdom of Saudi Arabia, and to the development of local communities through our local content programs. We provide great opportunities and professional development for our people, and we strive to conduct business in a responsible and sustainable manner by acting with steadfastness and truthfulness.

We transitioned to a best in class digitalization service for our employees by launching a self-service platform

"Tayseer", for managing employee requests electronically. We migrated our training tracking system to a high availability cluster with daily backups and disaster recovery reports.

Our contribution towards local procurement spent witnessed a 53% growth in the year 2019 as compared to 2018.

Training & Education: We, at ADC are committed to develop and train our employees. In 2019, we delivered more than 20,000 man-days of training and promoted close to 600 employees.

Our Dhahran Training Centre (DTC) was accredited with two major International Certifications; ISO 9001:2015 Quality Management system and ISO 29993:2017 Training Practice for non-formal education.

We further enhanced our training and development division by introducing six new training programs to support our operation actively and effectively (Competency Assurance Program (CAP) 3 Driller, CAP3 Supervisor, CAP3 Crane, Stuck Pipe Prevention (SPP) introduction, SPP Advanced, Amphion Operator).

Innovation & Operations: Our commitment to sustainability remains strong. We are immensely humbled to win the award for the *highest overall IKTVA performance among all service providers to Saudi Aramco.* ADC is honored to have received the IKTVA award for four years in a row.

We have developed our **IT Strategy** for the next 5 years, which will enable us to enter a digitally resilient and secured network of information technology. Our IT service desk implemented ticketing and Unified Endpoint Management System for managing end-user devices. We also launched a strategic project to track our field assets through Radio-Frequency Identification Device (RFID).

In the reporting year, we are restructuring the operations department and increasing the efficiency of the operations. Our subsidiary OFSAT is now 100% integrated in all the support functions of ADC. We sustained our ambitious growth for OFSAT by investing in new equipment and hiring more than 175 new employees, resulting in **46% increase in workforce**, while increasing the Saudization rate for OFSAT to a **new record of 39%**. We have established a QHSE department in OFSAT that is entrusted with the responsibility of the HSE management activities; moreover, we have also developed and implemented QHSE training matrix in our training tracking system.

We take pride in these values being part of our heritage. We are extremely happy to say, our rigs won several **performance awards** by our clients. In our attempt to develop a performance centric culture, we launched the **"ADC Cup"** to reward the best rigs in the quarter. We achieved **100% utilization of our rig fleet**, which in itself is a unique position for any drilling contractor in the Kingdom and globally. We also won the **Silver SAP MENA Quality Award** for ADC SAP implementation.

Way Forward...

Looking ahead, we are excited to envision what the forthcoming years will bring. The changing industry context and working environment bring challenges as well as opportunities. At ADC, we are ready to tap on those opportunities with the aim of generating

long-term shared value – for us as a company and for all of ADC stakeholders.

In the year 2020, we will continue to raise awareness of **Occupational Health and Safety (OH&S)** to our workforce to ensure we send our entire workforce back to their families safely, and for this purpose we need to build momentum and maintain our vigilance by adhering to our policies and guidelines. We will continue to elevate the bar of our **Service Quality**, by establishing a new Quality Assurance Organization, and pushing beyond the boundary of innovation with the help of our people. We will maintain our motto being; our **People** are our most valuable asset and will continue to commit to our investment on training and development of our workforce. It is paramount in 2020, to strengthen our **Financial Disciplines** without jeopardizing the safety and quality of the services we deliver to our customers.

We will continue to pursue our goal to sustain our position as the leading drilling services provider in the region in alignment with the Kingdom's **2030 Vision** and this will be achieved by our collective efforts in building an **engaged workforce**, able to deliver the **best service quality** and **superior financial performance**. We express our sincere gratitude to all our stakeholders for their continuous support, commitment and dedication for all our achievements in 2019. In conclusion, we would like to extend our deep appreciation to our customers for their trust, and our employees for their continuing efforts and loyal dedication to ADC.



About Us

Established in 1964, the Arabian Drilling Company (ADC) is a Limited Liability partnership between the Industrialization & Energy Services Company (TAQA), which owns 51% and remaining 49% is owned by Services Petroliers Schlumberger S.A. ADC is engaged in land and offshore drilling activities and operates in the Kingdom of Saudi Arabia and also in the Partitioned Neutral Zone at the borders with Kuwait. ADC is well positioned to handle the most challenging drilling programs.



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.

Business Operations and Model

In the past few years, ADC has made a paradigm shift by expanding its rig fleet, wherein we have added a total of 16 rigs to our enterprise while maintaining and strengthening sustainability efforts. We are the leading drilling service provider in the Kingdom for oil and gas wells, specialized to operate in harsh-environment and ultra-deep-water wells. We support the drilling industry with innovative technological solutions to tackle some of the most critical challenges while preserving a culture focused on people.

Alignment with International & National Strategies

Our Alignment and Programs supporting United Nations Sustainable Development Goals (UN SDGs)

To combat the various economic, environmental and social challenges, UN Conference, in June 2012, has laid the foundation for SDGs 2030. In 2019, we further evaluated ADC's alignment with the SDGs by mapping these goals to the issues identified as part of our materiality assessment (on page no. 37). This exercise has allowed us to identify where our strategic actions and ongoing operations have the maximum potential to impact these goals.

While our sustainability efforts contribute to most of the SDGs, we drive progress by prioritizing on eight UN SDGs which are summarized along with Saudi Vision 2030.







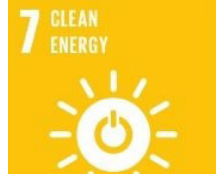
ADC alignment with Saudi Vision 2030


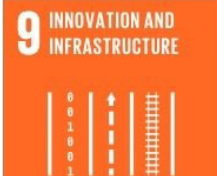
At ADC, the growth and development of our people are at the forefront of our priorities, and we uphold that with our industry-leading training and benefits programs, ADC relentlessly strives towards improving its service quality and safety performance.


As we continue to evolve and adapt quickly to the changing business environment and market conditions, we will maintain the commitment to further integrate and exemplify Vision 2030 values through our responsible governance and operations. We will build on our prior successes in meeting stakeholders' needs and holding ourselves to the highest standards.



Relevant SDGs	Relevant Saudi Vision 2030	ADC Material Aspects	ADC Support
<p>SDG 3: Good Health & Well – Being</p> <p>Ensure healthy lives and promote well-being for all at all ages</p> 	<p>1. A Vibrant Society</p> <ul style="list-style-type: none"> Living healthy, being healthy Caring for our families Caring for our health 	<p>1. OHS</p>	<p>ADC multiple initiatives in 2019 to promote healthy living & well-being of employees and community, included:</p> <ol style="list-style-type: none"> ADC Plus – Proactive medical check-up for all the employees and additional benefits for employees aged 50 years and above. ADC Health Lounge Program – Initiative to support employees and their family members. Seasonal influenza vaccine campaign - Initiative for ADC employees and their families. Healthy Community – Campaigns at educational institutes to promote health & safety. Approximately 150 students attended the program. ADC focuses on journey to ZERO injury.
<p>SDG 4: Quality Education</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p> 	<p>1. A Vibrant Society</p> <ul style="list-style-type: none"> Developing our children's character <p>2. A Thriving Economy – Rewarding</p> <ul style="list-style-type: none"> Our Commitment to an education that contributes to economic growth 	<p>1. Training & Education</p> <p>2. Local Communities</p>	<p>ADC promoted multifarious learning and education initiatives for:</p> <ol style="list-style-type: none"> Employees – 20,000 man days of training. Graduate Training – Trained 150+ graduates for Saudi Arabian Drilling Academy (SADA) and Saudi Petroleum Services Polytechnic (SPSP) as part of Basic Qualification Programs (BQP). Training on best practices such as ISO 9001 Quality Management System and ISO 29993 Training Practice. Saudization Rate - 75% (best ever for ADC).
<p>SDG 5: Gender Equality</p> <p>Achieve gender equality and empower all women and girls</p>	<p>1. A Thriving Economy</p> <ul style="list-style-type: none"> Providing equal opportunities 	<p>1. Diversity and Equal Opportunity</p>	<p>ADC supports women empowerment and has rolled out diverse initiatives for women at work place, including:</p> <ol style="list-style-type: none"> Women in ADC - 157% increase in women workforce from 2015 to 2019. Women on Rigs - First drilling company in the kingdom to empower female employees to visit rig sites.

Relevant SDGs	Relevant Saudi Vision 2030	ADC Material Aspects	ADC Support
<p>SDG 5: Gender Equality (Cont'd)</p> 			<p>3. Capacity Building for Female Employees – ADC's minimum training program covering firefighting & first aid course.</p>
<p>SDG 6: Clean Water & Sanitation</p> <p>Ensure availability and sustainable management of water and sanitation for all</p> 	<p>1. A Vibrant Society</p> <ul style="list-style-type: none"> Achieving environment sustainability <p>2. An Ambitious Nation</p> <ul style="list-style-type: none"> Protecting our vital resources 	<p>1. Water Management</p>	<p>ADC initiated various programs in line with Saudi Vision 2030 to protect the vital resources such as Water, including:</p> <ol style="list-style-type: none"> Water conservation program at drilling water pit by installing alarm system. A pilot study to assess water conservation potential in drilling rig by regulating water flow through sensors. Clean and sanitize all portable water tanks on yearly basis. Frequent water testing by Ministry of Health, KSA and Third Party Labs.
<p>SDG 7: Affordable & Clean Energy</p> <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p> 	<p>1. A Thriving Economy</p> <ul style="list-style-type: none"> A renewable energy market Increasing the competitiveness of our energy sector 	<p>1. Energy</p> <p>2. Emissions</p>	<p>ADC has taken a leap in promoting energy efficiency and induction of clean energy into the daily activities. Some of the key initiatives include:</p> <ol style="list-style-type: none"> Logistic cells initiative within the Journey Management Center reduced the truck fleets to 35%, thereby avoiding equivalent emissions. Preventive maintenance program for engine health, thereby limiting the fuel consumption and related emissions. 100% LED Lighting in corporate office. Hybrid Lights (Tower light initiative) – a pilot program to assess the viability of hybrid (solar + diesel) powered lighting system.

Relevant SDGs	Relevant Saudi Vision 2030	ADC Material Aspects	ADC Support
<p>SDG 8: Decent Work & Economic Growth</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> 	<p>1. A Thriving Economy</p> <ul style="list-style-type: none"> Boosting our small businesses and productive families Our commitment to an education that contributes to economic growth Providing equal opportunities <p>2. An Ambitious Nation</p> <ul style="list-style-type: none"> Being responsible to society 	<p>1. Economic Performance</p> <p>2. Local Communities</p> <p>3. Employment</p> <p>4. Procurement Practices</p>	<p>ADC contributed to economic growth in KSA through various initiatives, such as:</p> <ol style="list-style-type: none"> IKTVA Target – achieved 50% and exceeded the target of 45% for 2019. Local Procurement – 53% increase in local procurement in 2019 as compared to 2018. Support to prisoners and their families towards enhancing their social status. Conducted multiple learning & education programs (highlighted against SDG 4). Promoted equal opportunity for women workforce (highlighted against SDG 5).
<p>SDG 9: Industry Innovation & Infrastructure</p> <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p> 	<p>1. A Vibrant Society</p> <ul style="list-style-type: none"> Developing our cities <p>2. A Thriving Economy</p> <ul style="list-style-type: none"> Our commitment to developed digital infrastructure 	<p>1. Economic Performance</p> <p>2. Emissions</p> <p>3. Employment</p>	<p>ADC introduced multiple initiatives in line with technological advancement in Oil & Gas Industry, some major one's include:</p> <ol style="list-style-type: none"> Tayseer application – A self-service digital portal for all the employees to improve system efficiency and reduce environment impact Human Resources (HR) Benefits for all the employees. Recognition to ADC rigs for innovation & operational excellence. IKTVA Target (highlighted in SDG 8) and Local Procurement (highlighted in SDG 8).
<p>SDG 16: Peace, Justice and Strong Institutions</p>	<p>1. An Ambitious Nation</p> <ul style="list-style-type: none"> Embracing transparency 	<p>1. Anti – Corruption</p> <p>2. Customer Privacy</p>	<p>ADC focused on best practices to be institutionalized in the overall governance to support transparency & privacy, some key initiatives include:</p> <ol style="list-style-type: none"> ADC's code of conduct guidelines supports <ul style="list-style-type: none"> Anti-bribery; Information security; and Conflict of interest, duty of loyalty and non - competition practices.

Relevant SDGs	Relevant Saudi Vision 2030	ADC Material Aspects	ADC Support
<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p> 			<p>2. Establishment & operationalization of ERM.</p>



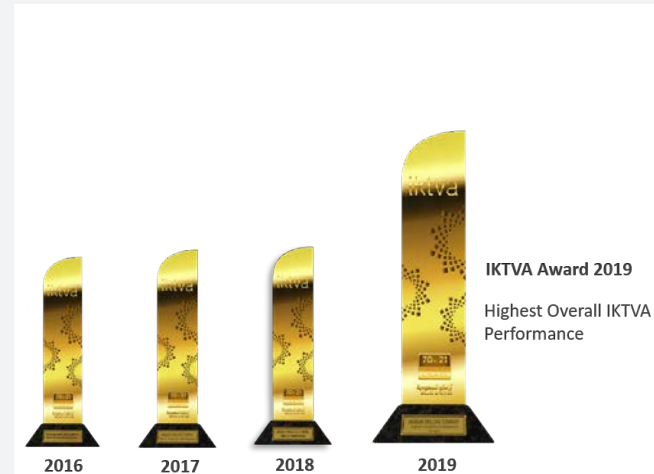
Awards & Recognition

In 2019, we were recognized for our efforts, sustainable business practices and social commitments by our customers, local communities and our people in operations, service and sustainability.

The Highest Overall IKTVA Performance Award

Awarded by: His Royal Highness (HRH) Prince Saud Bin Nayef, Prince of Eastern Province, HRH Abdulaziz Bin Salman Al Saud, Minister of Energy, HRH Prince Ahmed bin Fahd bin Salman Al Saud, Deputy Governor of the Eastern Region, His Excellency Yasir Othman Al-Rumayyan, Chairman of Saudi Aramco, and Mr. Amin H. Nasser, Chief Executive Officer (CEO) of Saudi Aramco.

For the fourth year in a row, the IKTVA performance award was bestowed upon ADC for meeting and exceeding all of Saudi Aramco's IKTVA targets that makes ADC the only drilling contractor to win this prestigious award. The award category for this year was under "Highest overall IKTVA performance" reflecting ADC's interest and full alignment with the Saudi Vision 2030.



The Overall IKTVA Performance Award

Awarded by: Schlumberger

Schlumberger organized the event "Best Performing IKTVA Award" to display localization achievements and provide a platform to share IKTVA success stories. Schlumberger recognized ADC with the Overall IKTVA Performance Award.



SPSP Excellence Award

Awarded by: Abdulhameed AlRushaid, Vice President (VP) Drilling & Work over of Saudi Aramco

The SPSP Excellence award was organized to recognize the top performing energy companies for their contributions and support for training young Saudis.



Appreciation Award for recruiting large number of graduates

Awarded by: Institute of Public Administration Graduation
ADC was recognized for recruiting a large number of graduates from the institute and achieving the first place amongst other companies in the Kingdom of Saudi Arabia.

Silver SAP Quality Award

Awarded by: SAP Quality
ADC received the Silver SAP MENA Quality Award by competing against 93 other companies from Europe, Middle East and Africa that contested this year under Business Transformation Category.

Internal Community

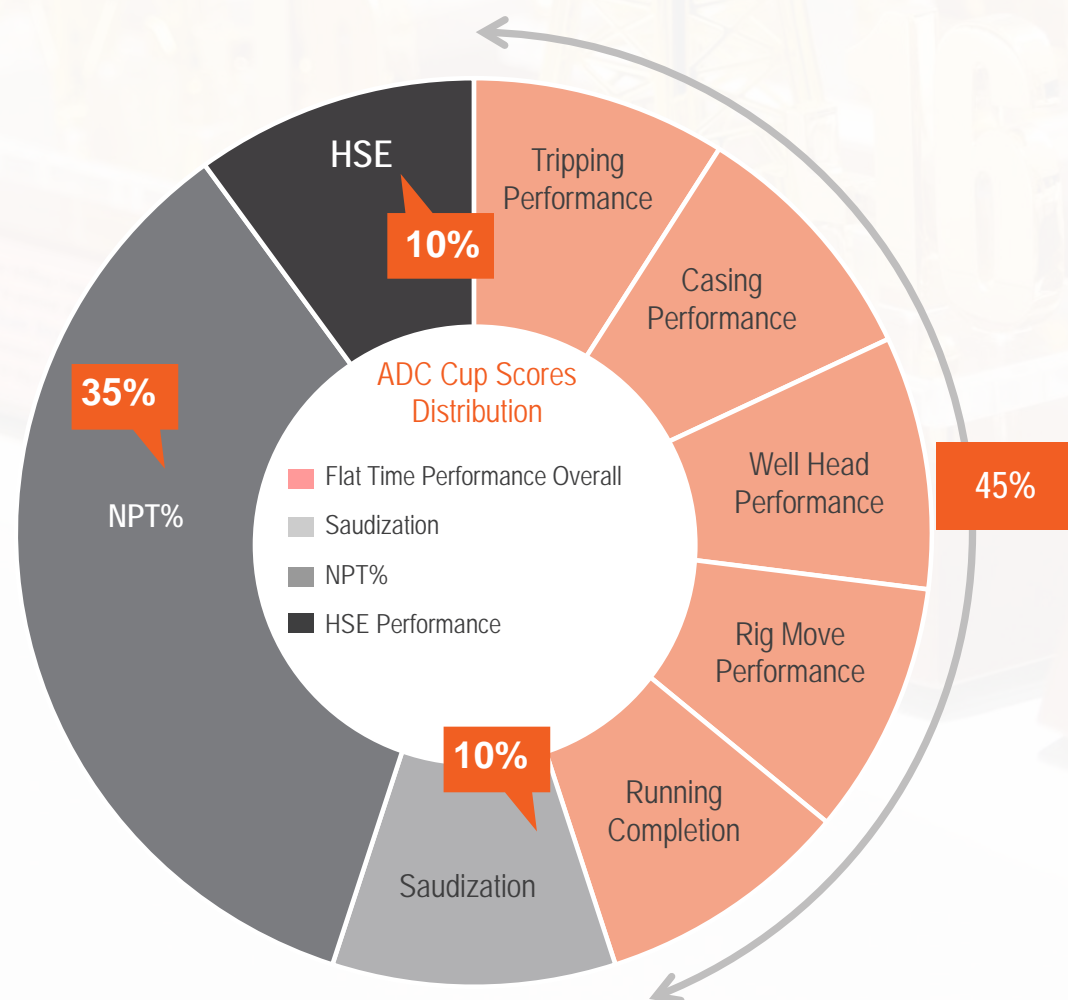
We undertake multiple initiatives within ADC to promote a healthy culture for continuous improvement of our employees and processes to ensure our commitment to become leading drilling company in the kingdom. The major internal award programs include **ADC Cup Award and Seniority Award**.

The ADC Cup Award

Recipient: ADC – Operations

Awarded by: ADC Management

The ADC Cup Award is an initiative that aims to encourage a healthy internal competition among the active rigs of ADC to promote a culture of continuous enhancement within the ADC Fleets. Each rig participates with its own team name and logo. The ADC Cup award is conducted quarterly & annually to evaluate the performance of onshore and offshore rigs separately. The ADC Cup aspires to demonstrate ADC's commitment towards safety and rig operations, and to align customers' interest by improving Rig Efficiency Index (REI) without compromising safety and integrity.



Quarterly Winner 2019

ADC Cup Award	Q2 Winners 2019	Q3 Winners 2019	Q4 Winners 2019
ADC Cup Gold Winner	AD-12	AD-54	AD-47
ADC Cup Silver Winner	AD-46	AD-43	AD-43
ADC Cup Bronze Winner	AD-21	AD-47	AD-21
ADC Cup Gold Winner for Offshore fleet	AD-17	AD-50	AD-70
Best Improver Winner	-	AD-66	AD-63



Yearly Winner 2019

ADC Cup Award	2019 Yearly Winners
ADC Cup Gold Winner	AD-47
ADC Cup Silver Winner	AD-21
ADC Cup Bronze Winner	AD-43
ADC Cup Gold Winner for Offshore fleet	AD-08



ADC Seniority Award

Recipient: ADC Internal Stakeholders

Awarded by: ADC Management

ADC seniority award fosters a sense of belongingness and honors the contribution of the employees who have completed 20 and 25 years of service in ADC respectively. The employees are awarded for their talent, value, commitment and accomplishment over the course of their tenure with ADC.

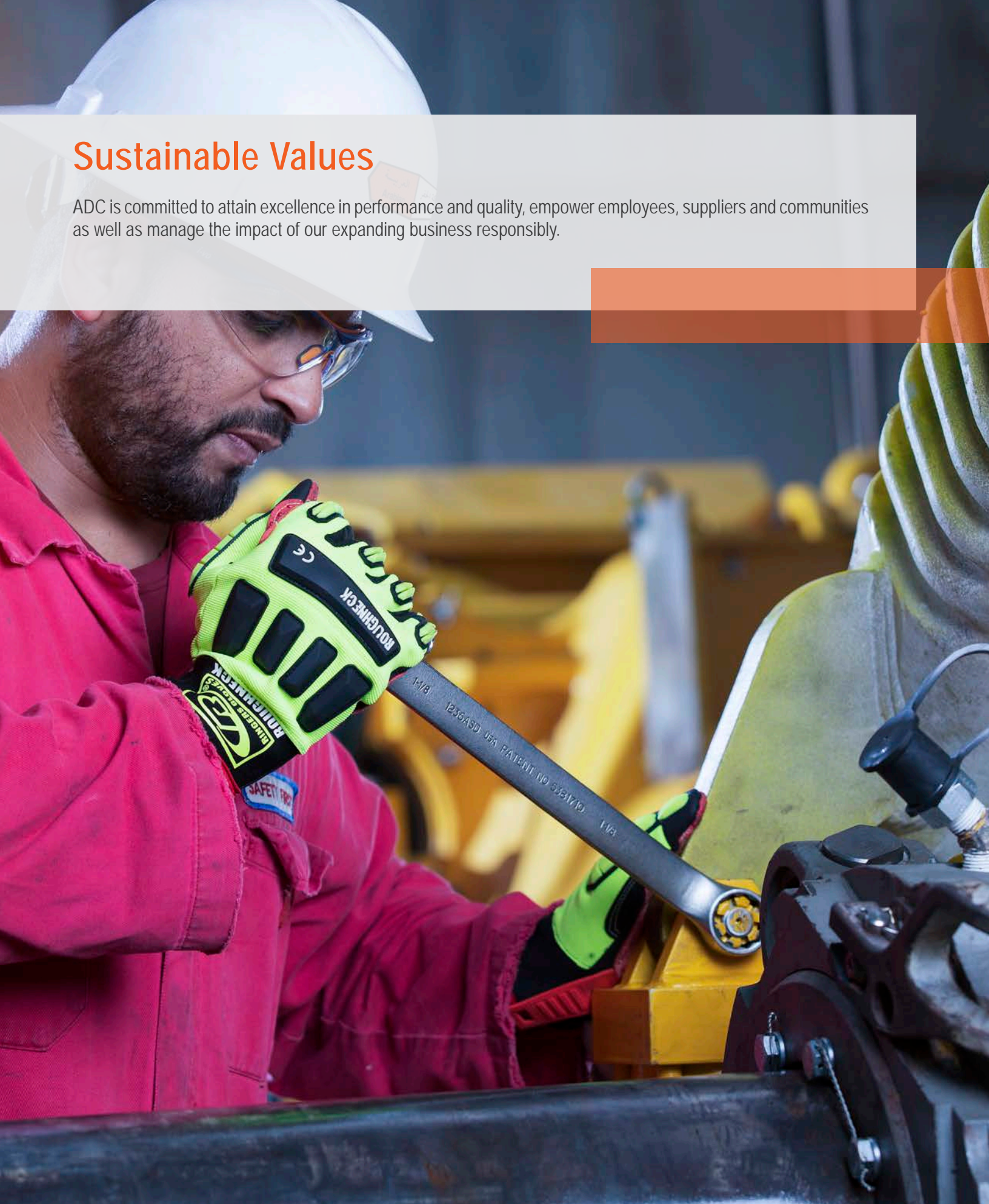
Sustainable Values

ADC is committed to attain excellence in performance and quality, empower employees, suppliers and communities as well as manage the impact of our expanding business responsibly.

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

We are devoted towards supporting our employees and regional communities where we operate, through our hiring and development practices, as well as our support for social groups, educational institutions, humanitarian and charitable organizations, national initiatives, and other entities.

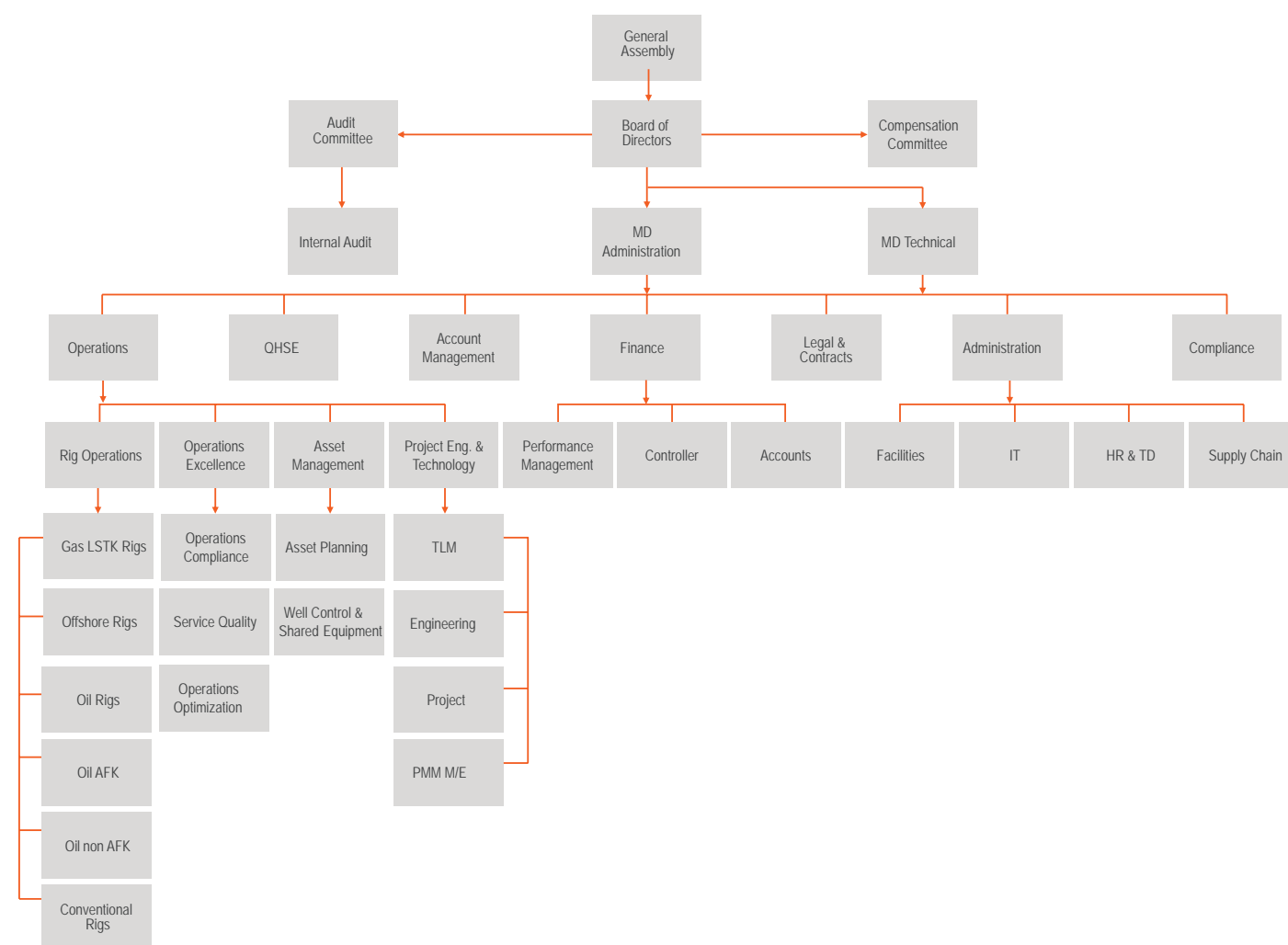
Our sustainable values are driven by four significant aspects that help us fulfill our strategic goals and build an atmosphere of trust and transparency for all our stakeholders, including our employees, suppliers, customers, and strategic partners. We have taken all possible efforts and measures to ensure that our governance structure encourages everyone to adhere to fair and responsible business practices. This would ultimately help us in establishing ourselves in line with the vision of the Kingdom of Saudi Arabia and meet the expectations of our stakeholders.



Governance

Sustainability at ADC is backed by our board of directors and corporate functions, who actively supervise the **corporate governance, corporate social responsibility, corporate ethics and overall performance**. Our robust corporate governance underpins the business operations in a responsible and ethical manner that enables us to meet clients' expectations, grow our market share, develop our people and optimize costs. Good governance entails its elements to be rooted in all the facets of the organization to create a business environment that fosters a long term growth. Our prominent sustainability approach is the driving force in generating a culture of quality, knowledge management and organizational excellence across all business operations and activities.

Organization Structure 2019



Key Highlight in Governance for 2019 - Enhancing oil operations capabilities:

To increase client focus and improve operations efficiency, we have augmented our Oil Operations by dividing it into two distinct segments focusing on specific geographic regions: Oil AFK and Oil Non-AFK

The management team is supported in its activities by various committees which consist of either management team members or other individuals from ADC's departments.

ADC operates through **operations and supportive specialized departments**. Each department manages its business operations in accordance with Key Performance Indicators (KPIs), objectives, and plans that act as key enablers in delivering its services efficiently.

Our **internal audit** department helps us to accomplish ADC's objectives by bringing a systematic as well as disciplined approach to evaluate and improve the effectiveness of governance practices, risk management, and internal controls systems.

The internal audit department is entrusted with the following roles and responsibilities:

- Internal Audit follows a risk-based approach in formulating audit plans, all of which are under the direction and guidance of the Board's Audit Committee.
- The coverage extends to all the departments and businesses.
- Ensure that the internal audit function complies with sound internal audit principles and best practices as well as continuously seek guidance from the Board's Audit Committee.

Exceeding the span of control

In 2019, we have developed comprehensive Delegation of Authority (DoA) Matrix. Our improved version of DoA expedites the process to accomplish the desired goals, by entrusting the duties and responsibilities to the managers of all the departments.

Ethics & Integrity

We ensure to maintain sound ethical and legal standards in all perspectives of our business. Our effective controls and overarching rules guarantee appropriate business conduct. Our compliance team assists ADC's management in its effort to cultivate a business ethical culture across the organization. Our Code of Conduct (CoC) illustrates standards of integrity and transparency that applies at all levels of our business.

Our corporate culture of transparency and integrity are built upon our ethical behavior, which is essential for 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 communities in which we operate.

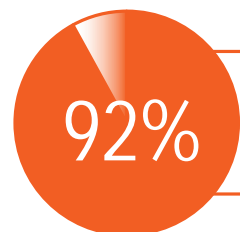
Our strong redressal mechanism encourages employees to ask queries, report concerns and communicate any non-compliance activities within the policies of the company.

Our ethics helpline phone number and email helps employees to anonymously report any alleged violation of company policies. The internal audit function governs our ethics helpline for effective resolutions to be further routed into the relevant department. All potential non-compliance cases are duly investigated. In addition, we have a conflict of interest policy that allows us to anticipate and manage such cases in a transparent manner.

ADC CoC

- Envisions 100% confirmation from employees on CoC compliance and understanding.
- Applicable to all the 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.

Grievance Mechanism



Cases were addressed and closed by the end of 2019. Remaining cases are still under investigation.

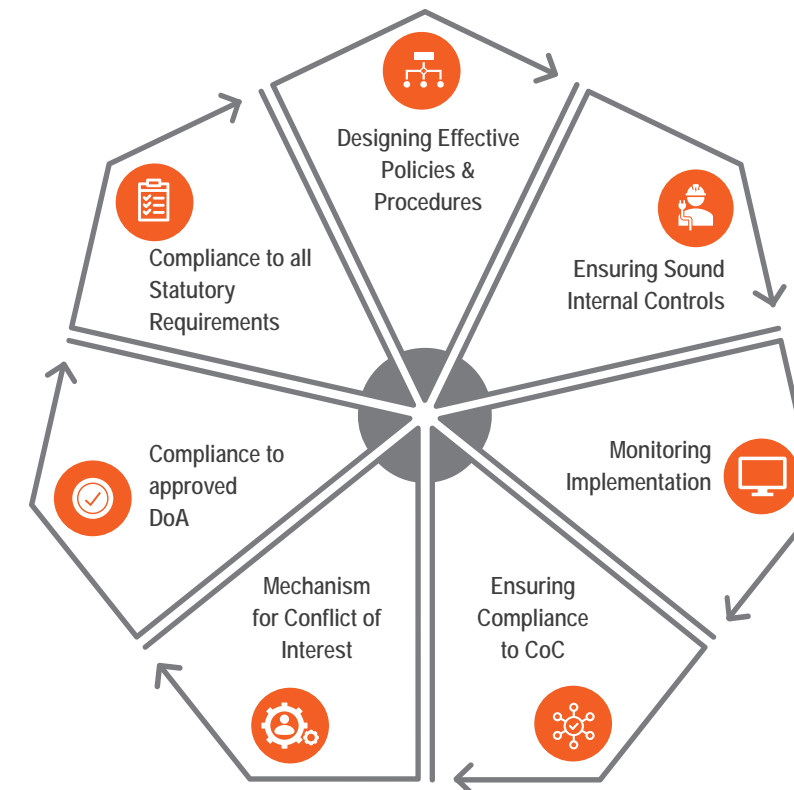
Our CoC encompasses guidelines and standards of sincerity and transparency, and management assures that all the employees are trained on the same. Our CoC is robust in line with the best practices and incorporates the following fundamental guidelines:

Compliance with Laws & Regulations	Workplace Environment	Accurate Records and Reporting
Transparent Management	Information Security	Commercial Incentives
Conflict of Interest, Duty of Loyalty & Non-Competition	Confidentiality of ADC's Information	Anti-Bribery
Use of Assets	Use of Technological Resources	Reporting Violations

We regularly review and update our policies, procedures, and guidelines that keep us up to date with new regulations, technology, and industry best practices. Our training and resources allow the ADC's representatives to understand the policies and their responsibilities to conduct business in a fair and ethical manner. Our Compliance department ensures ADC's business transactions and processes are executed according to the applicable rules,

regulations and company-established policies and procedures, which helps in confirming that the Internal Control System (ICS) is functioning efficiently and effectively. Further, the independent Internal Audit reflects management's commitment to strengthening the ICS.

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



Achieved 95% training compliance

In order to ensure our employees comply with the CoC, we have introduced CoC awareness session in 2019 and accomplished 95% awareness training. As part of our training we have employed an index to monitor and evaluate employees perceptions on topics covered under our CoC. The index is based on employee responses to questions related to CoC. Our training reports are regularly uploaded in training tracking system which enables us to conduct analysis on historic training data.

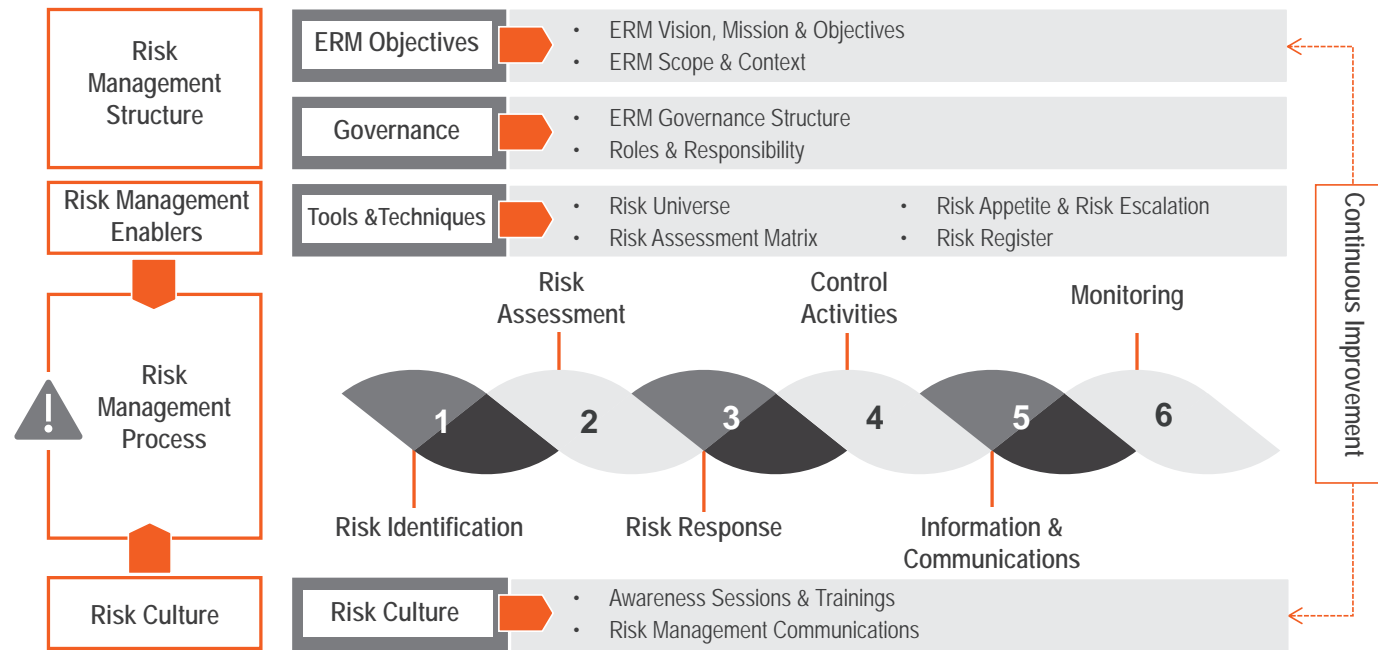
Enterprise Risk Management (ERM)

ADC's sound risk management practice strengthens the management's capabilities to anticipate, adapt, and respond to risk threats in a timely and efficient manner. ADC's ERM framework was instituted and developed in the year 2019, based upon the best practices such as those prescribed in the Committee of Sponsoring Organization (COSO) ERM framework.

the company's processes and provides a common language and set of tools to identify, evaluate, prioritize, and manage ongoing risks that are applicable to ADC. ERM provides a platform to leverage risk information into strategic planning and augments current controls to protect and increase shareholder value and strengthen ADC's work culture.

ERM framework and procedures are established at an enterprise-wide level to confirm that it is aligned with ADC's business objectives. ERM is fully integrated into

ERM Framework



Diverse initiatives of ADC bring in the best practices to achieve:



Key Highlights of 2019

EDMS

Initiated EDMS to centralize the process of capturing, storing, and retrieving documents. Our EDMS guidelines developed in the year 2019 render development of an efficient document management system.

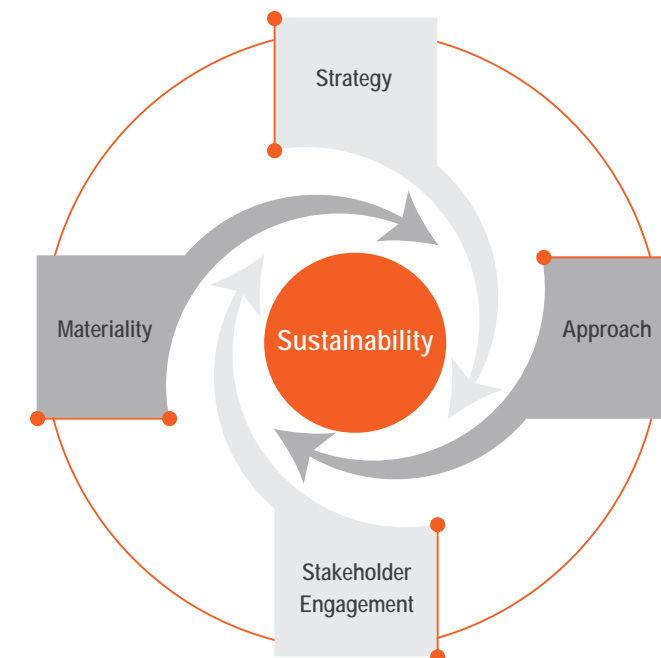
Way forward for year 2020

- We are committed to continuously improving compliance activities by bringing in the best practices. Going forward, we will successfully implement the Compliance Transformation Project conceived in 2019.
- An approach to responsible sourcing: Develop Supplier Code of Conduct.
- EDMS Project Implementation.

Sustainable Strategy

We achieve stakeholder satisfaction by creating a lasting positive impact in the form of value for our employees, customers, and investors and also strive to bring a social and environmental change. Additionally, we also keep focused efforts on delivering sustainable operations.

We strive to incorporate stakeholder priorities into our business and corporate strategies, which are executed through focusing – ADC sustainability strategy, sustainability approach, stakeholder engagement, and materiality assessment.



Strategy



We are committed to proceed our journey of sustainability by improving the efficiency and effective utilization of resources and capital. We have aligned our sustainability strategy as per Saudi Vision 2030 and shall continue to approach sustainability in an all-inclusive way.

We aim to integrate technology, safety, sustainability, and human potential to tackle the challenging environmental and geotechnical issues facing our clients. Most of our clients are searching for partners that can assist them in advancing their own sustainability agendas. Investors are exercising more scrutiny on issues of corporate social responsibility. We believe our sustainability program adapts flexibly to dynamic business changes and hence, differentiates us from our industry competitors.

Our materiality assessment helps us distinguish key issues, while continuous internal performance management and monitoring mechanisms help us to strategize our actions on these distinguished material issues for integrated sustainable development. Monitoring the progress of our KPIs with respect to established goals facilitates us to calibrate our course of action and achieve our target.

Sustainability Priorities

Excellence on every level isn't just a tag-line. It's the way we approach our business, especially when it comes to sustainability. This could be - "We endeavor to excel in the way we approach people, effect the environment and create economic benefit".

Technology and Innovation

We promote a culture of innovation by empowering our employees to be decisive and take action. Innovative ideas, integrated with advanced technologies, prepare us in delivering our services securely and efficiently. We invest in areas with great potential and add significant value to our business.

We keep upgrading our operations with new technology and innovation; our journey to automation has optimized the speed and efficiency of our equipment. Our data gathering and analytics capability enable us to make more informed decisions.

Approach to Sustainability



We Care: Producing an Annual Sustainability Report is a resource intensive, year-long process. This report goes beyond any operational activities, revenue generation, or routine social communication. We believe there is a significant return on investment from the reporting process.

Relationships: Our business is built on relationships with our employees, clients, and suppliers. Our sustainability report is designed to provide transparency and insights into the way we operate our business. We believe this openness builds trust and strengthens relationships with our stakeholders.

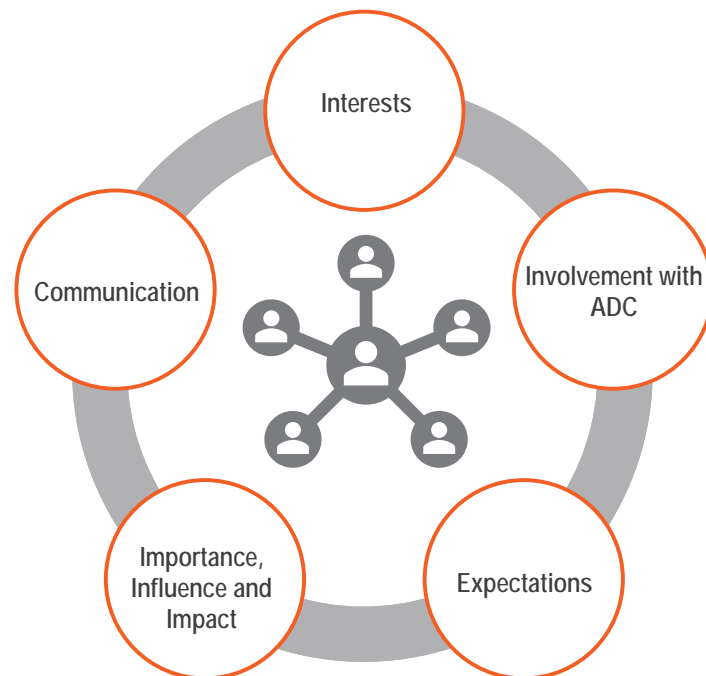
Improvement: Understanding the manner of measuring the issues which are critical to stakeholders and business is extremely important for ADC's long term success. Gathering and analyzing recognized metrics enables us to put the processes and policies in place to improve our overall performance.

General Management Approach: The members of our administration department drive individual initiatives aligned with our corporate sustainability goals. Data is maintained in diverse systems. ADC's Management meets quarterly to assess its progress and prioritize all its chief projects. For each topic discussed in the following pages, we have elaborated why it matters and how we manage the impacts. Our stakeholder engagement efforts play a significant role in shaping our management approach, prioritizing our projects, and reporting our progress.

Stakeholder Engagement

As a forward looking organization, ADC acknowledges its responsibility in meeting stakeholder expectations in today's dynamic consumer, political, and business landscape. Effective engagement with all our stakeholders plays an influential role in assuring that ADC continues to create larger societal values. To imbibe social values within our extensive or wide-ranging communities and Kingdom of Saudi Arabia, ADC makes significant investments in technical training and employment for Saudi youth, localizing our supply chain, providing public safety education, and charitable philanthropic that focuses on susceptible populations.

We believe in keeping an open dialogue with our stakeholders to understand, analyze, and deliver beyond their expectations. Our stakeholders are customers, employees, suppliers, investors, government partners, organizations, and local communities that can impact or be impacted by our business. Continuous engagement with our stakeholders and acknowledging their interests is critical to shape our business priorities and sustainability strategy. The suggestions and feedback we receive enhance our ability to make informed decisions. We track the following information for our key internal and external stakeholders:



Our management performs assessment of the tracked information to rank stakeholder issues, understand expectations and ultimately create shared value for the company and our stakeholders.

Identifying Key Stakeholders: To determine our key stakeholders, the management conducts meetings with the board and other levels within the company. In these discussions, we identify organizations and individuals who have a keen interest in ADC, fundamentally impact the organization, build a dynamic relationship and/or the stakeholders who form an integral part of the existence and continuity of the business.

Incorporating Expectations: Our stakeholder 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 with employees and other stakeholders through our publicly available, quarterly online magazine, Al Majlis. We also distribute printed copies of Al Majlis to our key stakeholders.

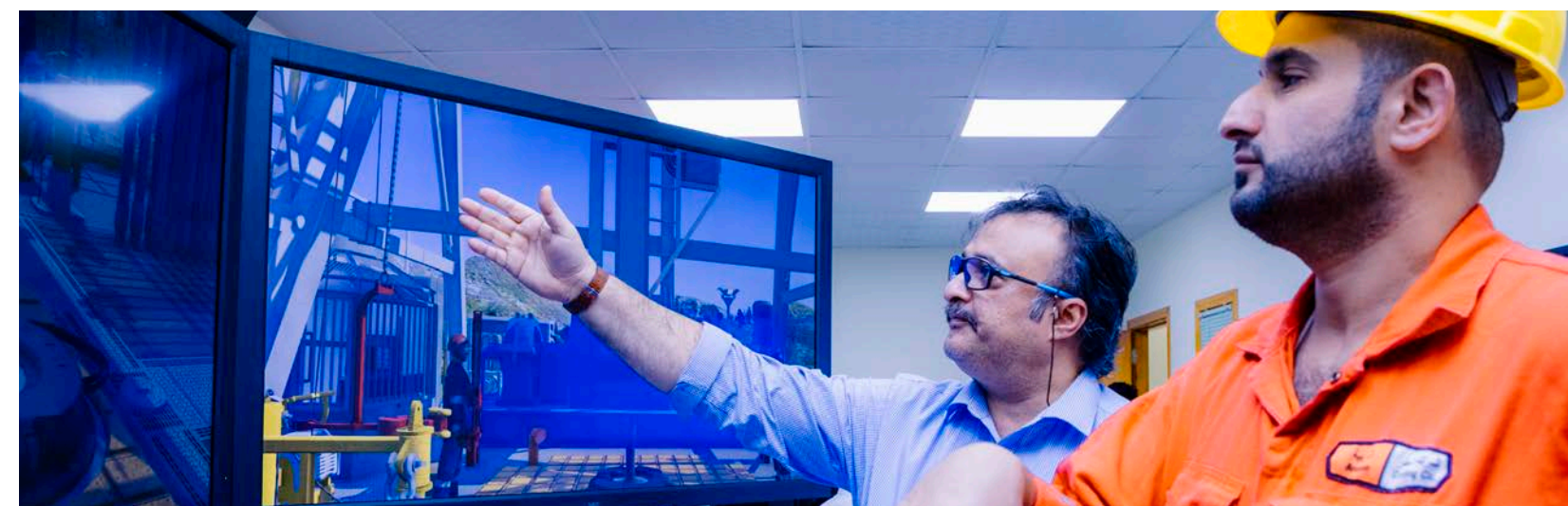
In 2019, we have constantly expanded our engagement efforts with our most significant stakeholders. We proactively seek inputs by conducting satisfaction surveys with our employees, customers and vendors, in-person meetings with clients, and sponsoring educational facilities.



The table below provides detailed representation of how we engage with our stakeholders, their expectations from us, and how we respond to those expectations. Through a process of ongoing engagement, we seek to understand our stakeholders' expectations and to incorporate those interests into our business plans and actions.

Stakeholder Group	Areas of Interest	ADC Response	Engagement Approach
Employees ADC has over 4500 employees: <ul style="list-style-type: none"> 75% Saudi National 25% Expat 	<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 CoC Career ladder initiative Training and development programs 	<ul style="list-style-type: none"> Employee satisfaction survey Employee engagement workshops Regular meetings Quarterly and annual performance reviews Objective planning meetings
Customers ADC's primary customers include Saudi Aramco, Schlumberger, Halliburton and Al Khafji joint operations	<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 CoC Confidentiality and privacy policy Well-trained local workforce Security policy Implementation of ERP system Acquiring latest technology 	<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

Stakeholder Group	Areas of Interest	ADC Response	Engagement Approach
Shareholders ADC is a limited liability partnership between the TAQA, a Saudi joint stock company that owns 51%, and Services Petroliers Schlumberger S.A., a global leader in oilfield services which owns the remaining 49%.	<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 CoC 	<ul style="list-style-type: none"> Annual general assembly Board of directors meetings Annual, quarterly and monthly reports Board of directors workshops
Communities Local residence of the kingdom	<ul style="list-style-type: none"> Employment Clean air Education Medical Economic development 	<ul style="list-style-type: none"> Corporate social responsibility initiatives Health campaigns Knowledge sharing workshops 	<ul style="list-style-type: none"> Social media Training youths Generating employment opportunities Organizing medical camps for employees and their families Participating in HSE events organized by Saudi Aramco





Materiality Assessment

We practice materiality assessment for the identification of principal issues relevant to our business. The expectations and concerns of our identified stakeholders enable us to prioritize strategy, policies, and action plans in the fields of economy, environment, and society. We revisited the materiality assessment done in the calendar year 2018 and have added two more material topics in 2019. These topics emerged post conducting the stakeholder engagement and materiality assessment process, to classify and prioritize topics based on GRI standards.

We re-designed the stakeholder engagement questionnaire to provide a broader view of material topics and also consulted internal stakeholders to seek their inputs from a sustainability perspective. These inputs were then mapped on the materiality matrix based on the significance to stakeholders as well as ADC to prioritize material aspects.

Approach to materiality

Our process of material assessment identifies material topics that are relevant to the company and our principal stakeholders. This approach assures that the company is aware of evolving market needs and requirements of the community.

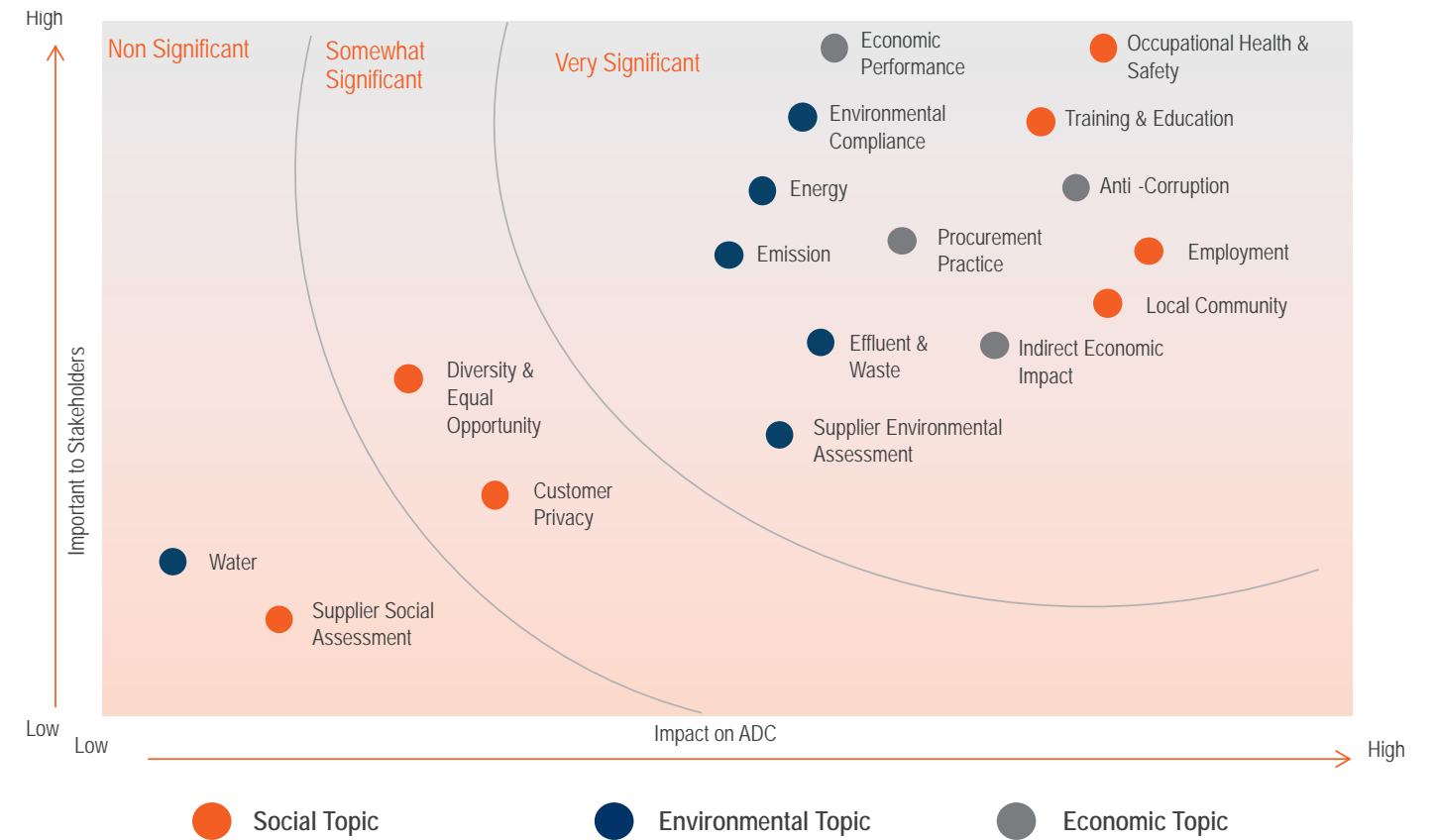
To differentiate and prioritize topics for reporting and sustainability efforts in an effective manner, we conducted a materiality analysis that utilizes the GRI Reporting Principles. The process was facilitated by sustainability experts and supported by cross-functional teams at ADC.

We define materiality as per the following two dimensions:

- Significance of social, economic and environmental impacts; and
- Importance to stakeholder

We have identified seventeen key material topics considering the two dimensions related to ADC's operations, importance to our business, and internal stakeholders. The stakeholders' perspective was analyzed through a survey rolled out to our internal stakeholders wherein they demonstrated the interests of our external stakeholders. Thereafter, these topics were reviewed and rated on the scale from 1 to 10 by ADC's key members, where 1- 3 was termed as Non-significant, 4-7 termed as Somewhat Significant, and 8 – 10 termed as Very Significant. Issues that were categorized as very significant were outlined as our key areas of focus this year.

The matrix below demonstrates the materiality of these issues, as defined by the GRI.



Sustainable Operations

ADC is a Leading Drilling Contractor in terms of its Fleets, Flat Time Performance & Drilling Efficiencies.

As in 2018, ADC's fleet size was scaled-up massively, and to support the magnitude of expansion, ADC's operation department has been revamped by exceeding the oversight and assurance. Our core operations are segmented into four rig categories: Conventional Rigs, Oil Rigs, Gas LSTK Rigs and Offshore Rigs. These categories are leveraged to diversify services and expand operations. In addition to this, our three new departments: Operations Compliance, Technology Life Cycle Management and Asset Planning Management bolster our efficient service delivery. The new structure of our operations provided support to stabilize the transition and bespoke solutions to our clients in 2019. At ADC, our unwavering efforts towards process improvement such as, adoption of data driven performance monitoring mechanism, redefined Service Quality (SQ) follow-up through SQ – tracker, reviews, severity and responsibility matrix, launch of an online equipment tracking application, and standardization, are few of the building blocks for our journey to sustainable operations.

Our newly formed operations optimization department under the umbrella of operations compliance ensures to align ADC with the client's performance strategy by providing information, tools, and techniques to measure and improve the operational performance.



We acknowledge that providing an uninterrupted and reliable system is no small feat that requires the willingness to go above the call of duty. Our dedicated Technical Life Cycle Management (TLM) department and shipshape maintenance management system help us to achieve operational efficiency and optimal equipment life cycles.

ADC's robust Maintenance Management system is built around the following critical elements:



Organization/Responsibilities



Maintenance planning

Maintenance Control

Training and Motivation



Equipment Management

Spare Parts Management

Operational Performance

ADC is among the top Flat Time performers of Saudi Aramco drilling contractors in 2019.

Our incremental performance in uptime is what makes us the customer's first choice. Our Rigs are constantly securing high scores in the REI (earlier called as SQA), a tool introduced by Saudi Aramco to rate the rigs based on its operational efficiency.

Maintaining excellence in quality of work

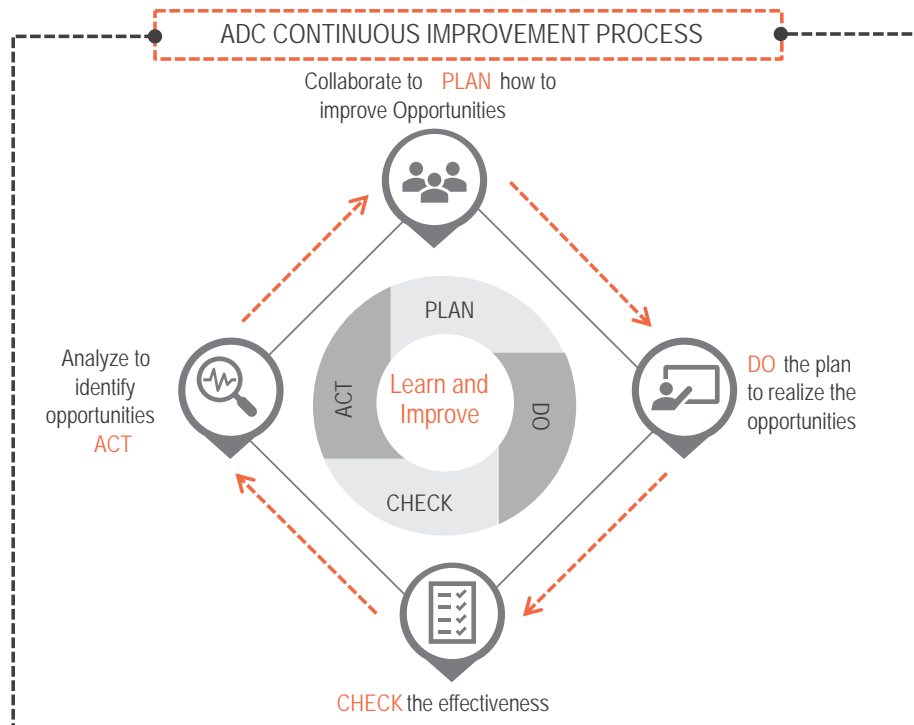
We strive to bring precision in the work we perform; our continuous improvement process enables us to achieve excellence in quality of work. We continue to raise the bar by implementing the simple algorithm throughout the process. Our process is fostered by Plan-Do- Check-Act (PDCA) pillars.

In association with our experienced members from TLM and operations compliance departments, we have recognized and analyzed the sources of inefficiencies and have developed improvement plans for individual rigs. These improvement plans are presented to our customers, and to obtain adherence, our dedicated operations compliance team conducts regular follow up sessions. Compliance with our established processes

allows us to perform activities in structured, yet cost-effective manner. We are elated to witness such advancement in our process, since the time we applied constant improvements and ensured optimal utilization of resources, thus conserving energy and leveraging it in other productive areas. Needless to say, this requires a well- articulated plan, execution, leadership skills and, above all, desire. Following are the major considerations for achieving excellence in quality of work.

Key Highlights of 2019

We have successfully implemented a continuous improvement process in our rig operations. As a result, we have witnessed an upward trend in our performance by eliminating extraneous activities and adding one's that enhance values to the process. We believe that to achieve efficiencies, the impact of these activities should be measured. Therefore, we applied improvement processes and identified rigs, where REI was comparatively lower. The process will subsequently allow us to achieve fleet-wide drilling efficiency.

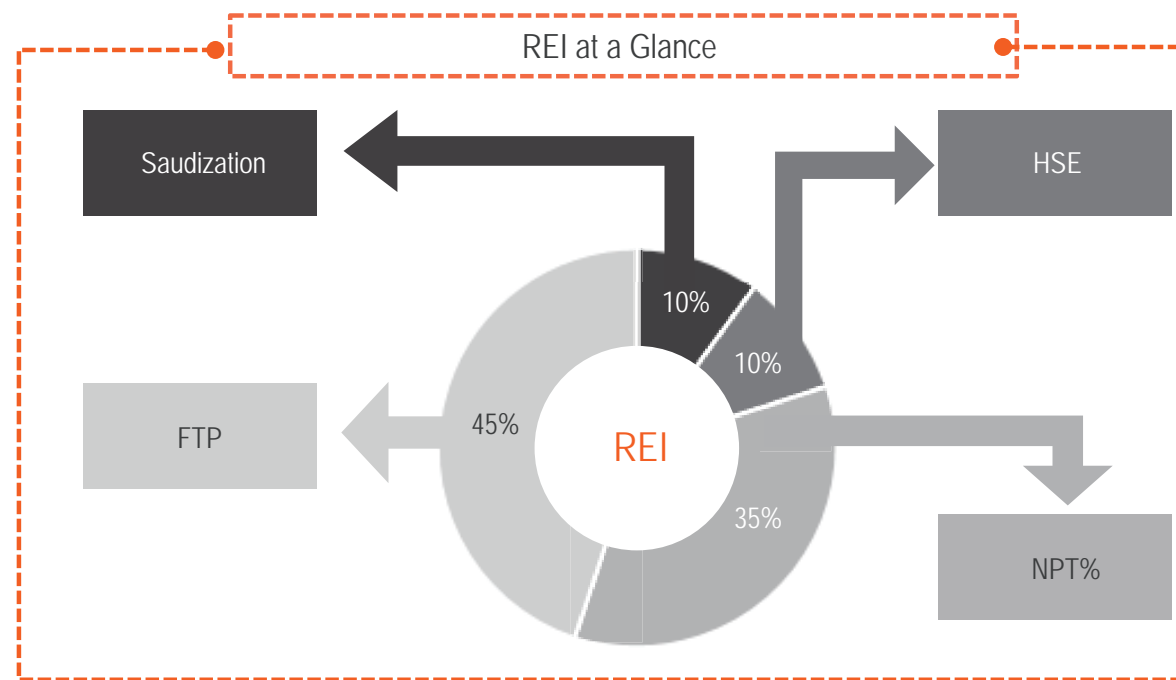


In the midst of transformation, we spared no details in rethinking and reengineering our existing process, albeit brimming activities, for example we ordered 69 high capacity cranes till 2019 to meet our operational activities and amplified needs. We planned the entire project meticulously and executed it with tenacious determination within strict timeline.



Enhancing performance through operating safely and creating value

Our operational policies and procedures, trainings programs, and equipment reliability serve us to attain operational excellence. We believe that operational efficiency is not only the function of uptime but also of creating social value, environmental stewardship, and the safety of our manpower to make rigs operate more efficiently. Our REI tool measures rig efficiency based on four parameters i.e. HSE, NPT %, Flat Time Performance (FTP) & Saudization.



Key Operational Recognition

Saudi Aramco Recognition

18 Rigs of ADC Fleet scored Superior performance with > 95 % REI score.

9 Rigs of ADC Fleet recognized as high performer with 85 -94.99% REI score.

AD 54 Secured 9th place in Saudi Aramco's REI ranking by achieving 102.80% REI Ghawar Oil Area.

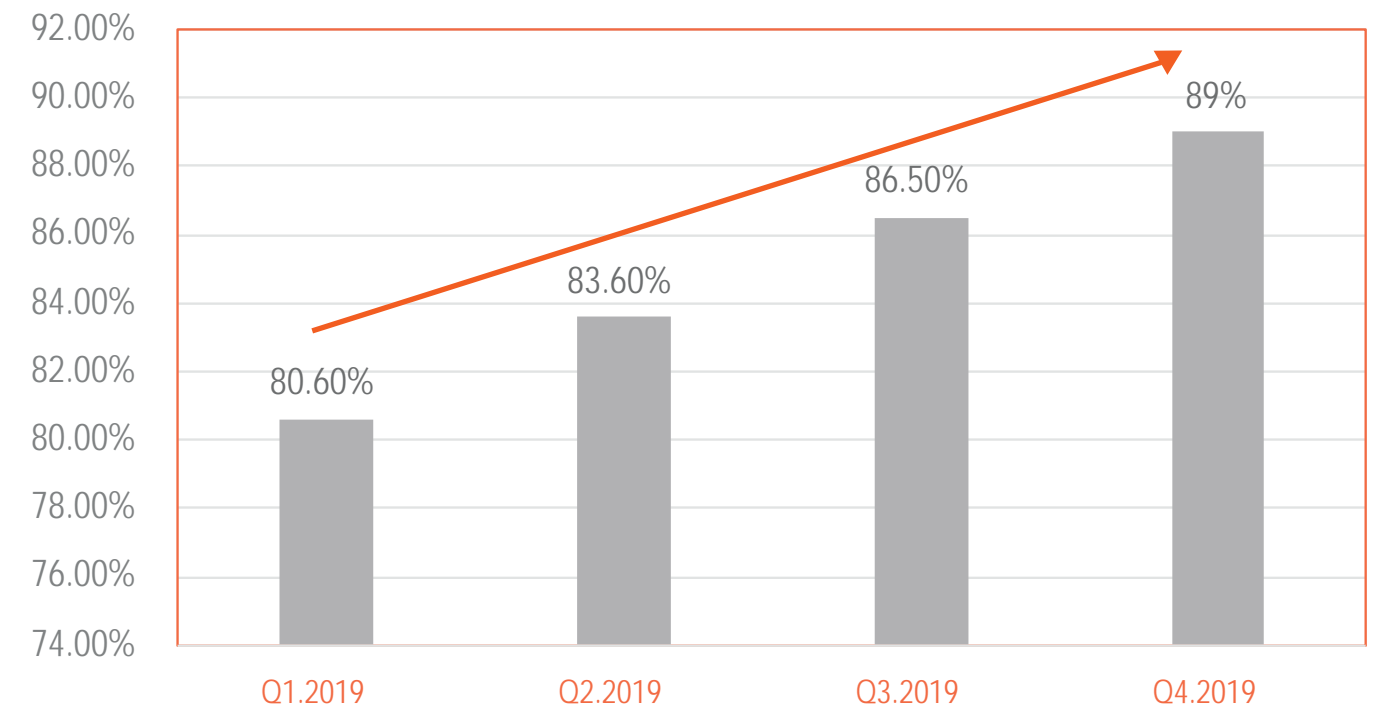
AD 20 Certificate of appreciation awarded by client for operational excellence.

AD 53 Secured rank 30 amongst 256 Saudi Aramco rigs by achieving 100% REI.

AD 52 Recognized for highest Rate of Penetration (ROP) and lowest CPF while drilling 8 3/8" section.

AD 50 & AD 60 Recognized by Saudi Aramco for best flat time performance and leading REI.

REI % ADC Fleet



Integrated Drilling Services (IDS) Recognition

AD 42
Won first prize
Best connection time.

AD 54
Won Second prize best connection time among IDS rigs worldwide.
Continuous Improvement Award

Other Recognition

AD 54
HSE award by KSA Geo market

AD 55
was recognized for outstanding work preparation and risk assessment for moving the rig with mast up. First rig to set this record amongst all LSTK rigs.



“

Appreciation Notes

“I would like to convey my appreciation to all team members for maintaining the record breaking ROP in 8 ½” section across all Aramco Ghawar Oil Field. This is extremely remarkable, keep the focus, team spirit and performance drive”

“Wonderful performance, the two rigs are competing each other, you are maintaining ADC where it belongs. Please keep up the safe work environment“

“Once again AD-54 has done ROP record in SDGM field and across all Aramco Ghawar oil field in the 8-1/2 ” with an average ROP of 83.3 FPH..... Outstanding performance. The previous record for the 8-1/2” hole in Ghawar oil field was 80.3 FPH and the last ROP record for SDGM field for 8-1/2” hole was done 14 years back in 2006 with 48 FPH. We broke it with 75% improvement..... Fantastic. Very well done AD-54 , D&M Team and all those involved on this record achievement. Congratulations!!! Let’s keep it up”

Congratulations for the excellent and great start of year 2020 REI scores for last January for both rigs, Kindly keep up the team spirit and unity and proper planning and following up for each task and activity. This will be the right start if we keep the same momentum for the whole year month bymonth in safe manner,

Well done team, Please keep improving as always.

AD-53 is on 8th Place VS 26 last month, Excellent..... Currently the best rig all over LSTK in KSA..... Congratulations!

”

Accelerating Operational Efficiency through Technology and Innovation

We achieve operational excellence through consistent identification and action upon the opportunities for re-improvement, eliminating communication gaps, and standardization. We develop every bit of data into an informed decision through our solution on operations optimization insight. We encourage creativity and innovation that increase productivity and leads to best possible solutions.

Condition based maintenance prediction

We seek to enhance performance and reduce nonproductive time by maintaining a condition-based tracker for our primary equipment. This enables our TLM department to plan significant overhauls without compromising on our productive time and thus apply time saved for more productive tasks.

We seek to improve performance and reduce nonproductive time by maintaining a condition based tracker for major equipment that enables our TLM department to plan major overhauls without affecting our productive time, thereby utilizing the time saved for more productive task.

Key Highlights of 2019

Real time equipment certification monitoring:

We have developed an online Blow out Preventer (BOP) tracking application to augment operational integrity related to well control. This new approach keeps us more observant to take in all the information about equipment certification.

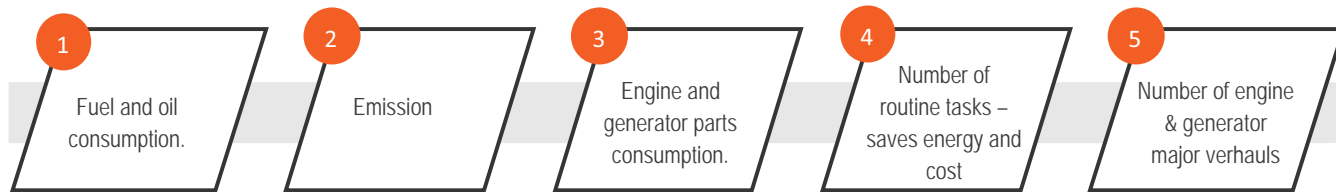
Case Study- Revamping Load Management System Churning Out Multifold Benefits

Case Study



Our TLM department conducted an extensive study to explore the best possible way of providing reliable power and maximizing system efficiency and proposed a load distribution management and generator scheduling strategy. The study was focused on the operation of generator sets in a low-load scenario and what can result if they are used outside of these parameters.

TLM department identified rigs where generator sets are running at a load less than 50%, and through the maintenance bulletin, the department shared the knowledge and negative effects of running main generator sets with a load less than 60%. Implementing this initiative will result in reducing:



Emphasizing on Communication, encouraging everyone to speak up

At ADC, we believe that communication is the essence of our company. We have identified the level of information each department needs and have included communication in our working process. We have introduced communication guidelines thereby strengthening the flow of information between office and field.

Key Highlights of 2019

A workshop has been kicked off by our operations compliance department with field supervisors to analyze the office-field communication gap.

Technologies and Intelligence fueling efficiency

Our data monitoring and analytical capabilities are constantly exceeded by harnessing new technologies to reduce operational problems, thereby advancing our safety, reliability, and operational performance.

Providing a concrete solution through Operations Optimization Insight (OOI)

As we have been experiencing fast-evolving technologies and transformation in complex drilling system, we are steadily evolving into an innovative solution provider. Our strategic initiative, called OOI, is the perfect blend of performance improvement and standardization. Not only OOI assists us in detecting possible anomalies, predicting and mitigating significant Non-Productive Time (NPT) events, the other feature, i.e., standardization, assures our reforms are being nurtured.

Goal

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

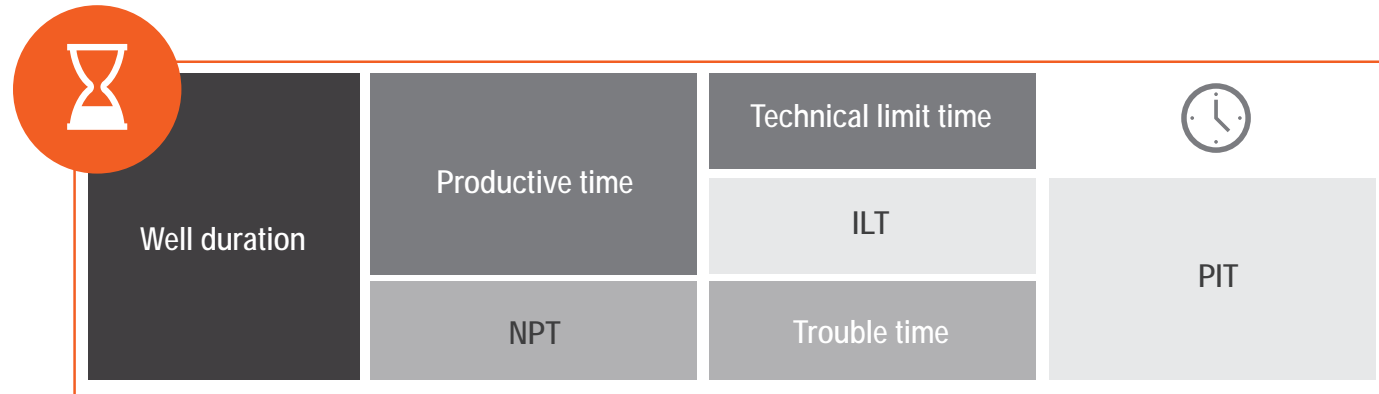
Vision

"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 OOI is a hybrid model, and it is the combination of analytics and operational expertise. It extracts the historical data to disclose and analyze rig activities to strengthen operational performance and optimize it to the level of client satisfaction. OOI has allowed us to translate data into actionable insights.

The objective is to explore opportunities to conquer Invisible Lost Time (ILT- Flat Time) and NPT, thereby elevating Potential Improvement Time (PIT), where PIT is the combination of ILT and NPT.



ADC OOI is leveraged to bring transparency to our customers in order to visualize and measure performance while setting the baseline through technical limit methodology and day-to-day well delivery execution. To achieve this, operations optimization department has initiated a strategic project of standardization through which, we aim to achieve a standardized approach across ADC fleet. Our approach to standardization is supported by:

- Standard Work Instructions
- Checklists
- Emergency Checklists.

Key Highlights of 2019

As we continue to work on standardization project, we have introduced new checklists for tripping and BOP related activities. We conducted brainstorming sessions on Rig Move Process and Standards with ADC Rig Managers and OFSAT; which led to attainment of significant adherence to the processes and standards.

Major Initiatives by Information Technology in ADC in 2019

SAP Business Warehouse (BW)

We have initiated operational data centralization and performance monitoring project, where a vast amount of data can be stored in one central data base. To support this, we have launched SAP BW that collects, transforms, and stores data generated through various sources. It also enables us to perform various data management tasks, conduct analysis, and generate reports. This will also help in alignment of customer's new rig procurement and performance strategy.

Daily Reporting System (DRS) Up gradation

In light of the recent ADC's expansion, there are numerous new developments that necessitated an enhancement of ADC's daily reporting system. Our IT department, in coordination with Operations department, has launched the upgraded version of DRS. It is a SAP Fiori application that maintains the daily operational data and generates reports from the data captured in the application. The DRS system is used by Rig Supervisor/Admin/Rig Users to enter the daily operational data, personnel details, mud details, bulk details, and master data as well.

Personal Protective Equipment (PPE) Tracking System

Our employees are our greatest assets, and our success depends on their health and safety. We promote a strong safety culture, and to strengthen our HSE management control system, we have introduced a PPE tracking system. This allows us to track all types of PPE requirements for rig crew based on their roles and also helps in monitoring the PPE consumption.

Expanding SAP coverage

ADC IT in collaboration with OFSAT has successfully implemented SAP and Success Factors at OFSAT Arabia (owned subsidiary of ADC). The project was well executed successful and this marks one of our major milestones in integration of OFSAT Arabia with ADC system and processes. This integrated ERP system, allows ADC and OFSAT to seamlessly manage day-to-day business activities, such as accounting, procurement, human resource, and rig moving operations.

In 2019, we have also successfully completed SAP update project in three phases, leveraging experience and knowledge of the internal ADC team which resulted in maintaining unencumbered operational activities.

Comprehensive monitoring through secured Training Tracking System (TTS)

The rapid transformation in technologies and environmental regulations makes it imperative for an organization to have an educated and well-trained staff. Our training and development programs are one of the key drivers in building a competent workforce through a rigorous monitoring mechanism. Our TTS has been designed to provide a better overview of the ADC broad training requirements and the progress made. This application was earlier hosted in a standalone PC, exposing itself to vulnerability. In order to achieve proper IT protocols and protections to this application, we have migrated our TTS to ADC datacenter; whereby, it is now hosted in high availability clustered environment with daily backups and availability of disaster recovery reports.

Establishing Independent IT infrastructure

ADC has taken an initiative to establish independent IT infrastructure to consequently heighten security and flexibility in bandwidth and field connectivity. As part of this action, we will deploy a Microsoft Key Management Service so that ADC nodes can utilize ADC's Windows and Office licenses. In addition, ADC and Schlumberger are working towards segregating ADC's network, setting up IT security, monitoring, and deploying application services away from SINet (Schlumberger Network).



Occupational, Health and Safety (OHS)

Our commitment to our people encompasses providing a safe and secure workplace, respect for human rights throughout the business, as well as affording opportunities for personal and professional learning and development. We embrace diversity as strength in our culture, wherein we focus on enhancing the diversity of our workforce and supply chain.



“2019 was the best year in terms of ADC HSE performance in last 5 years”.

Continuously enhancing clear systems, standards and processes to support QHSE

Continuous improvement

Providing training and coaching

Encouraging a culture of openness

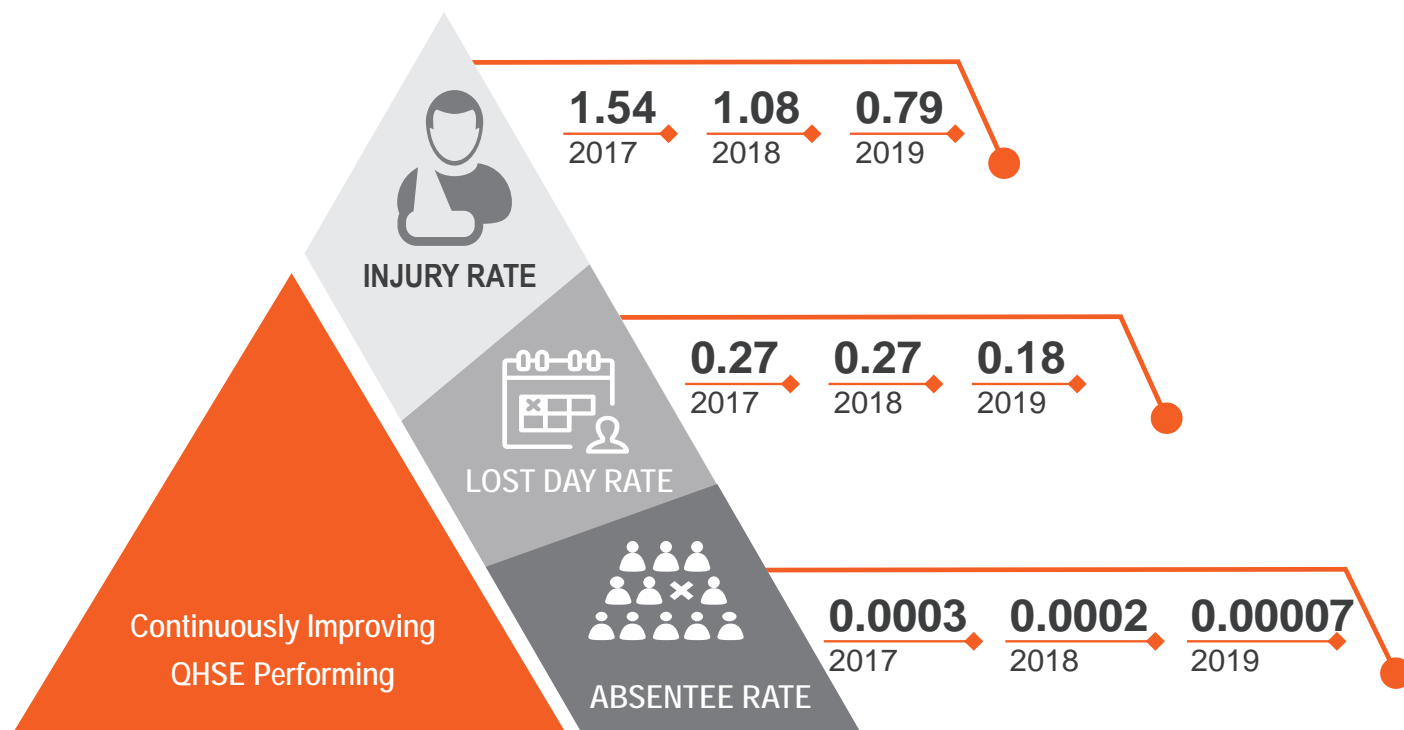
Support compliance for QHSE standards



Transparent rewarding system, positive approach for OHS

Providing our people with a safe environment lies at the core of our values for delivering the operational excellence that ADC is known for; we inspire a lifestyle that fosters **good health** among employees. Our quality medical services and safety permeates **everything we do and stand for**, onshore as well as offshore. Our ability to collaborate with our workforce, to engineering solutions, and to maximizing asset value depends on industry leading performance in each of these respective areas.

ADC has formed a **Loss Prevention Team (LPT)** for each location, be it onshore or offshore. This team meets on a monthly basis and assists the management in identifying, evaluating, and monitoring QHSE activities and risks associated with it.



A Strong Safety Culture

Maintaining a strong safety culture is an apex priority for ADC and its stakeholders. As our workforce is involved in diverse activities at rig sites, including customers, suppliers and ADC representatives, we ensure that they are involved in developing and enriching safe culture.



Key Highlights of 2019

- ADC completed the International Safety Management (ISM) certification for ADC corporate and AD-20, without any non-conformity. Certificate was issued by American Bureau of Shipping (ABS).
- ADC had the best year in terms of HSE performance in past 5 years and achieved all of its HSE Key Performance Indicators (KPIs) 2019 (100% achieved).
- ADC HSE performance has been recognized by Schlumberger as business partner.

Journey to ZERO Incident

At ADC, the safety of our people is our **first priority**. Our ambitious goal is to achieve ZERO major incidents during rig buildups, transportation, rigging-up at well sites and spudding of the new rigs. This requires excellent safety management and procedures, as well as commitment from the leadership and all our employees. ADC safeguards the overall safety performance of the industry through close cooperation and knowledge sharing with all stakeholders and making no compromises in execution.

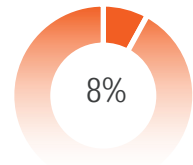
Key Highlights of 2019

- Dhahran Base Completed 3-Years Without Lost Time Injury (WLTi): ADC Management appreciated the excellent job and encouraged everyone to continue working safely.
- Implemented HSE policies and procedures with full support from Dhahran Base Team.



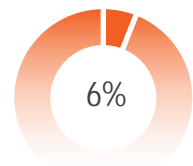
2019 was seen as another year of success in Occupational Health and safety

In 2019, we achieved



Reduction in 'Lost Time Injury Frequency Rate'

41 rigs Completed zero LTI's



Reduction in 'Total Recordable Cases Frequency Rate'

34 rigs Having zero Recordable Incident

35 rigs Completed without any recordable HSE event in 2019

as compared to year 2018.

We have many **safety programs and practices**, maintaining a healthy culture wherein employees and contractors mutually create a safe workplace.

The challenge is that our employees will often have to deviate from the planned procedure in order to accommodate to the changing environment in which they work. To manage the constant changes in the workplace, we are striving to identify and develop the capacity and controls that need to be in place while securing that our workers are equipped to follow the safety procedures in spite of changes in the external environment. We have enlisted **KPIs** that ensure safety measures and health benefits for all people.

KPI		
	Target (upper limit)	Achieved
Total Recordable Injury Frequency (TRIF)	1.12	0.79
Combined Lost Time Injury Frequency (CLTIF)	0.89	0.55
Automotive Accident Rate per miles (AARm)	0.28	0.25

Key Highlights of 2019

- ADC started an acceleration program to train potential young Saudis to Rig Safety Training Coordinator (RSTC) position.
- Continued our practice on society responsibility by training 100 high school students in the first aid practices.

We believe good health is the foundation of vibrant lives, thriving communities and forward progress

Robust Health Programs

ADC Health Lounge Program



The medical insurance team from the HR department launched a health initiative in April 2019 at ADC Head Office and Dhahran base where employees and their families participated in the following health checkups:

- Blood Pressure test
- Blood sugar test
- Vision eye screening
- Dental check

Seasonal influenza vaccine campaign:



ADC Medical Services & Insurance section held a seasonal influenza vaccine campaign in December 2019 at ADC recreation center for its employees and their families.

Way forward for year 2020

- HSE campaign to be launched for ADC employees' families.
- Home and School safety campaign for local citizens.



Sustainable Economy

ADC cultivates the economy by investing in three areas – Creating value, improving health & safety, and developing people. This entails gaining an unconditional level of trust – through a continuous sustainable approach, reducing impacts and being as a responsible corporate citizen.



Sustainable Profit makes sustainable growth possible

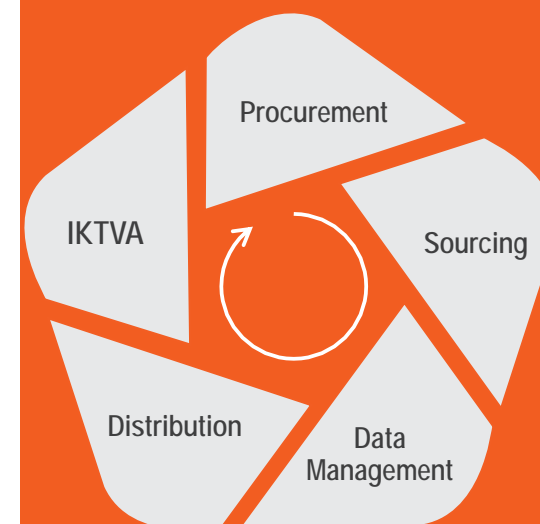
ADC business model and long-term IKTVA targets are designed to contribute to long-term, tangible benefits, such as:



In the reporting year, ADC holds

17% market share in the kingdom.

Economic Development



ADC commitment and actions are designed to drive sustainable progress, to improve financial performance, decrease risk, and uphold as a reputed long-time pioneer in the drilling industry, among all stakeholders.

ADC maintains the highest standards of corporate citizenship throughout its operations and requires the same from all suppliers. We at ADC, attempt to maximize the positive economic and social impact of our value chain while minimizing negative environmental impact. We engage our local and diverse suppliers where we operate, which not only exemplify good corporate citizenship but also signify good business growth as it increases the intensity and resilience of our supply chain.

ADC Supply Chain main elements are:

- **Procurement:** This is a focal point for assigned rig operations & process transactions.

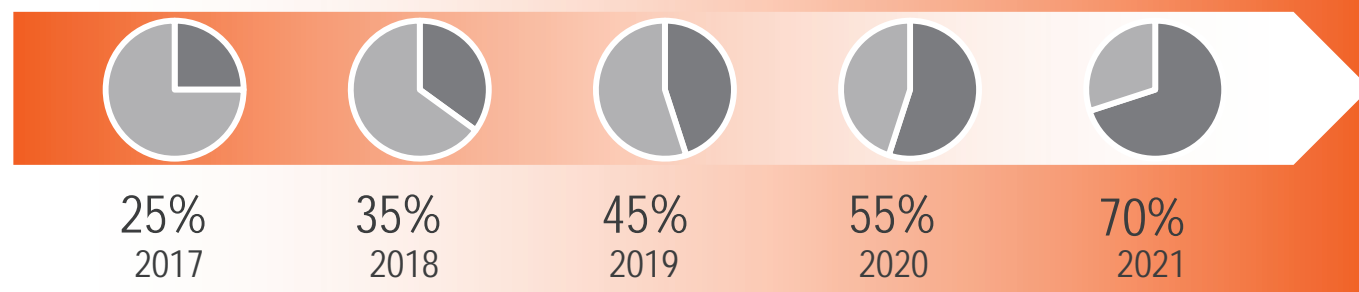
- **Sourcing:** Process of identifying suppliers / vendors as per specific prequalification criteria which includes social and environmental aspects, compliance audit (which monitors quality control procedures, HSE practices, materials' manufacturing capacity and maintenance of equipment), price negotiation and initiating supplier agreements / contracts and ensuring compliance with ADC procurement policy.
- **Data Management:** . Master data management, data analysis / reports, dashboard, catalog management and maintenance, and supply chain department KPIs.
- **Distribution:** Inventory Management; Material requirement planning & warehouse management ; logistics - Import/export/ customs clearance.
- **IKTVA:** Develop IKTVA KPIs, measure delivery & execution for all departments in the company, and to incorporate IKTVA in all aspects of the company activities to achieve 70% by 2021.



ADC was awarded "Highest Overall IKTVA Performance "by Saudi Aramco in 2019 and "The Overall IKTVA performance 2019" by Schlumberger.

ADC achieved 50% IKTVA target against the planned 45% IKTVA target in year 2019

ADC'S IKTVA TARGETS



Indirect Economic Impact

We continue to enhance our capabilities to categorically manage our suppliers with a cross-functional team that works collaboratively to reach safety, quality, delivery and cost targets.

Training to service providers

ADC's inclusive business model paves the way for vast market opportunities for local suppliers and subcontractors by strengthening their competitiveness and capabilities. We are bilaterally committed to transcend the conventional approach of managing our supply chain. In view of same, we provide all the necessary trainings to the local suppliers that help them comply with oilfield and the global quality standards. For example: **Helicopter Underwater Escape Training (HUET)** targets all employees working on offshore locations, including ADC permanent suppliers, to provide HUET for people using the chopper.

In another example, ADC holds Rigging & Lifting Training that provides sessions to its entire supplier's crane and forklift operators working on our locations. Such initiatives help to increase the knowledge of the suppliers and contractor personnel who are working in rig operations.

Joining hands to support IKTVA program

ADC IKTVA program aims to improve economic performance by developing stakeholders (internal as well as external) skills/ knowledge within the Kingdom. We conducted awareness workshops with our top vendors / suppliers and presented our IKTVA goals to be achieved by 2021. Furthermore, we provided the necessary information and support to get them enrolled for the program. We also monitored their IKTVA score on a yearly basis and supported them to improve their score as per Saudi Vision 2030.



Procurement Practices - Enabling Sustainable Procurement



Business partners, suppliers and vendors are critical to ADC's overall success and its ability to maximize the efficiency of operations while minimizing operational risks. We work in collaboration with our suppliers to improve performance and create shared value. We jointly review processes, procedures, and data with many suppliers to help drive the right actions and foster continuous improvement. ADC's supply chain management consistently delivers high value services, which are supported by our following policies/guidelines: **Material Policy**; **Procurement Policy**; **Logistics Guideline**, and **Data Management Guideline**.

Our Procurement Policy designates who should participate in the evaluation of tenders, management of contracts, and ongoing procurement of goods and services. It also involves 'Code of ethics' and 'Conflict of interest' guidelines and states that if anyone associated with ADC, violates the Procurement Policy, will be subjected to disciplinary actions. The central goal of our supply chain management system, including our Procurement Policy, is to help ensure that suppliers understand and abide by our ethical, safety, and other performance standards, by helping us avoid unexpected commitments and leveraging our expenses more effectively.

Incorporating environmental and social sustainability in the supply chain

ADC suppliers are evaluated annually on risks related to quality, environment, and social responsibility.

ADC's procurement policy explains how ADC will work with suppliers to ensure that the vendors share ADC values and culture. Responsible purchasing shall drive for transparency, adherence to laws, regulations, minimum standards and continuous improvement. It covers the following areas:



Health & Safety

Suppliers should adopt management practices with respect to Health & Safety. This is essential for safeguarding their workers.



Business Practices

Suppliers should follow ADC CoC principles and align with similar fair business practices that ADC shadows in its business.



Environmental Protection

Suppliers should abide by the policies, processes and procedures to manage their environmental impact e.g. electricity and water usage.



Human Rights

Suppliers should develop and implement policies and procedures to be compliant to all human rights in their business and to encourage their contractors to do likewise.



Local Community Development

Suppliers should contribute to the social, economic and institutional development of the communities in which they operate.

100% of ADC's suppliers are screened using environmental, social and quality criteria.

One of the most important areas of our Environmental Management Plan (EMP) is assessing vendors' environmental performance so that it meets national and international requirements. It is done through:

- Prequalification for all new subcontractors, including an environmental assessment; and
- Annual audits for existing, high-risk subcontractors to ensure compliance with ADC requirements.

Compliance Audits

We conduct audits 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.

Local Procurement

Procurement is a strategic function to help improve profitability, and we, at ADC, prioritize local suppliers in all possible scenarios. This resulted in the growth of the local economy, developed local procurement, diminished logistics complexities, minimized packaging and transportation costs, consequently contributing to the growth of the Saudi Economy, aligned with Saudi Vision 2030. During 2019, ADC spent approximately \$130 million on local procurement; constituting 61% of total procurement spending.

% Spending on local Procurement



Local Procurement



Quality Procurement

We at ADC, steadfast our everlasting growth, that intends to purchase the right materials and services at the right time, in the right place, and at optimal cost — appraised by our quality, delivery and service policies. Our supply chain team works with suppliers to assess performance against expectations and address any gaps that are encountered. Vendor registration and pre-qualification ensures that approved ADC vendors are reputable; commercially and technically accepted suppliers; and meet our stated ethics, i.e. responsible purchasing, Saudization and quality standards. Any vendor not meeting the Saudization requirement must develop an implementation plan for **two to three years** for the same.

Anti-Corruption



Prevention of corruption and promotion of fair competition is another important dimension of the compliance efforts in ADC. We provide regular training to all our employees on anti-bribery and anti-competitive as per the ADC's CoC Guidelines.

Ensuring a high degree of business ethics among ADC employees

It is of utmost importance to us that our employees are committed to anti-corruption and maintain a high degree of business ethics in our daily operations. During 2019, we provided training regarding CoC to our employees, which stipulates our commitment and expectations within the areas of ethics, conflict of interest, and anti-bribery. The CoC has been extensively communicated throughout the organization, both in onshore and offshore.

Way forward for year 2020

- To achieve IKTVA target and localize Operating Expenditure (OPEX) spend with suppliers that add value to ADC IKTVA score.
- We target 60% catalog utilization.
- To enhance the supply chain management by targeting > 85% service quality through our internal tool Service Quality Assessment (SQA).
- We will localize Capital Expenditure (CAPEX) spend with local manufacturers.
- In alignment with Saudi Vision 2030, we will increase spending on Small and Medium Enterprises (SMEs).

Sustainable Environment

We build on our best practices, programs and our Environmental Management System (EMS) to operate beyond compliance. Our daily practices aim to make us an environmentally responsible company. We raise environmental awareness, drive action in our communities and inspire others to do the same within our value chain.

We work to raise awareness, drive change and achieve positive environmental impact.

Being green is something beyond purchasing 'eco'. It is a steadfast promise to a sustainable way of life.

Governments around the world are increasingly focusing on enacting the laws and regulations regarding climate change and greenhouse gases and implementing measures endeavored at reducing dependence on oil. **Saudi Vision 2030 is aligned with environmental stewardship to safeguard environment** by increasing the efficiency of waste management, establishing comprehensive recycling projects, reducing all types of pollution, and fighting desertification. In view of the same, ADC also promotes the optimal use of water resources by diminishing consumption and promoting recycling practices.

Environmental Compliance

At ADC, our commitment to drive improvement through mitigating the environmental impacts from our operations is integral to our overall strategy.

We are committed to supporting a smooth transition by providing drilling services in an environmentally responsible way and reducing the environmental footprint of our operations. We deploy dedicated staff and resources to ensure compliance with environmental laws and regulations, international standards and voluntary commitments. To track our environmental performance and drive improvement over time, we use key performance metrics – which is factored into our annual incentive plan – at the asset and enterprise levels. Our well-defined environmental policy emphasizes on compliance, risk mitigation and accountability for responsible environmental practices on the part of all our employees, suppliers and contractors.

A dedicated EMS helps us to measure, monitor and manage our company's environmental impact and improve our performance in this area. Our established EMS has been reviewed and approved by our key client, Saudi Aramco, to ensure compliance with ISO 14001:2015 Environmental Management System.

ADC leverages the Schlumberger Environmental Management Standard SLB QHSE 008 and the Environmental Basis of Organization Knowledge (Environmental B.O.O.K.) to be environmentally compliant.

ADC promotes to develop green Infrastructure: We focus to minimize environmental impact through an automated building management system. We invest in renewable energy, upgrading equipment, and developing best solutions to reduce environment impact. In 2019, we continued to implement our Multiyear Facilities Sustainability Vision and Execution Plan for upgrades and new construction.



Key Highlights of 2019

ADC green infrastructure development: In 2019, ADC switched to 100% LED lighting across all its offices.

Way forward for year 2020

Participate in an environmental campaign targeting school students and women.

Our historic environmental compliance metrics reflect our consistent conformity to environmental laws and regulations.

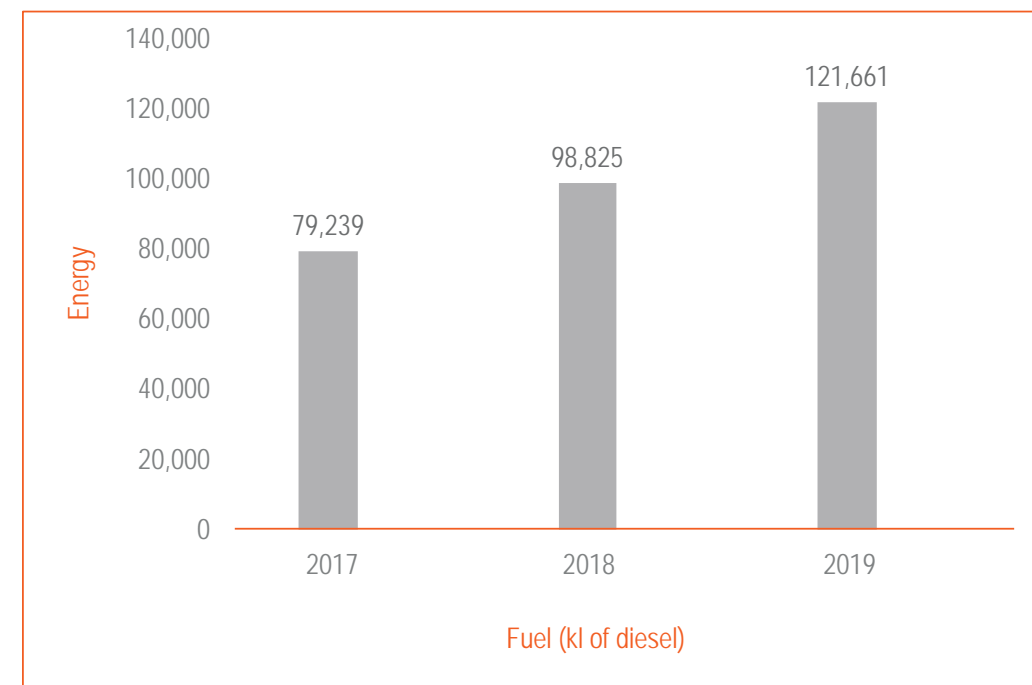
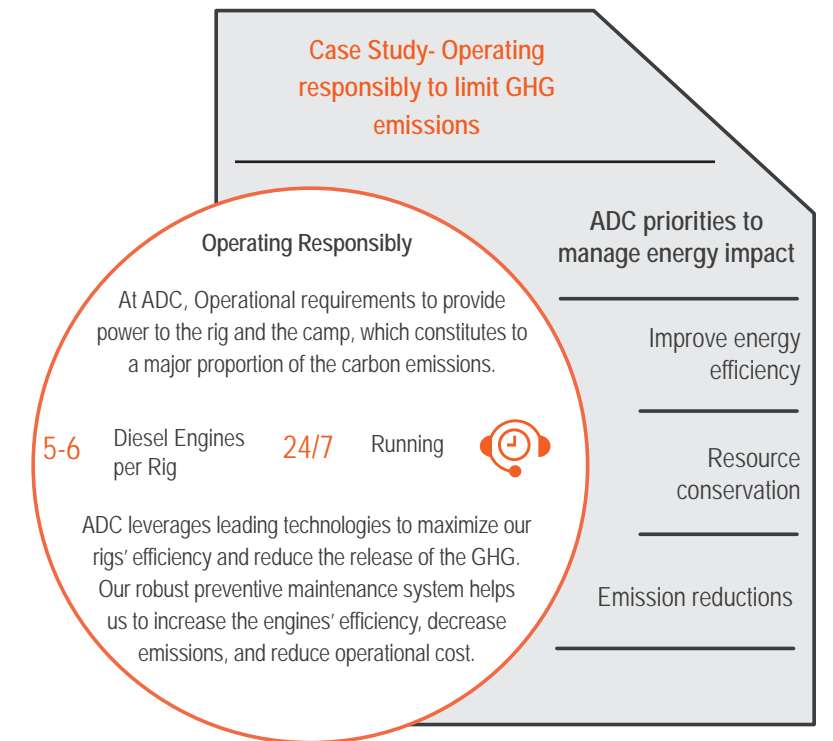


Energy & Emissions

Energy consumption and Greenhouse Gas (GHG) emissions are primary elements of our environmental stewardship efforts and are significant for our operations. We alleviate this environmental impact directly by improving the efficiency of our operations and reducing our dependency on the limited fossil fuel supply. We are also seeking to monitor, regulate and reduce our energy consumption, which benefits the overall business. At ADC, we are actively working to reduce the carbon footprint of our operations. We also have a fuel optimization team that calculates the optimal load and speed of our rigs to ensure minimum fuel consumption.

In 2019, our fuel consumption increased (about 23%) along with our scope 1 GHG emissions with respect to the previous year. This increase is attributed to our surge of operational activities due to extended fleet size, more rigs on contract and increased rig move activities. In keeping with our efforts to further reduce emission caused due to fleet movement, we are working towards finding new, innovative and commercially viable solutions to reduce the fuel use, which will thereby reduce the carbon footprint in our supply chain. As part of our initiative, we have established a logistic cell within the **Journey Management** Center in 2019, to optimize the fleet management by curtailing 35% of the fleet movements and employing various effective methods to make best use of the remaining fleet.

As first stage, that will reduce the emissions and the operational cost.



Monitoring, controlling & reducing our energy consumption enable ADC to:



In 2019, driven over **19 Million** Kms without any major driving related incident.

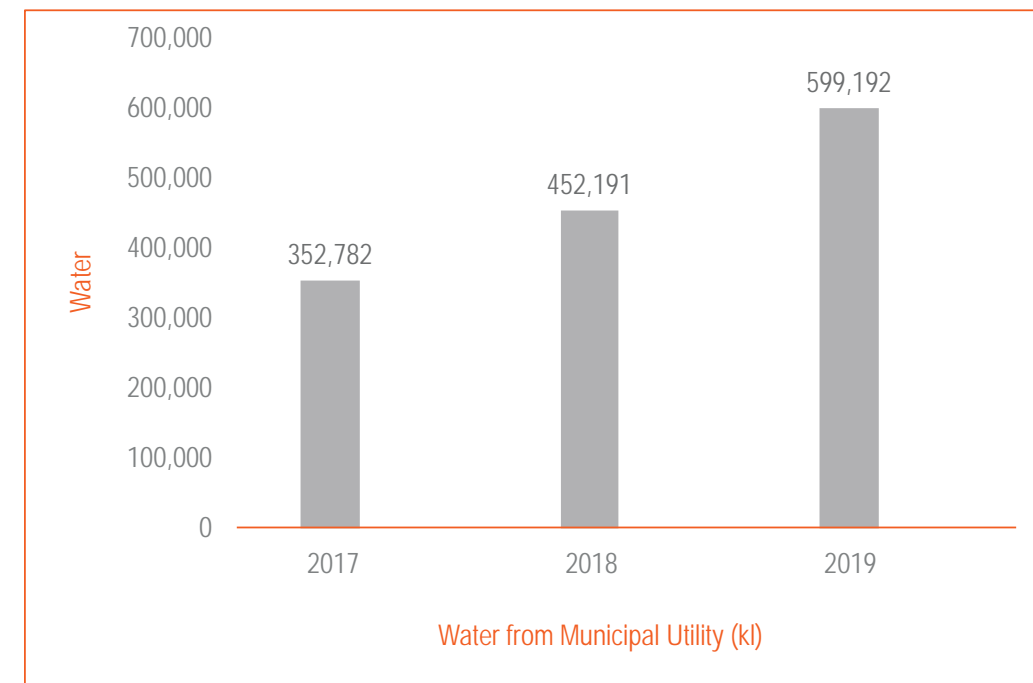
Water

Water is critical for the communities and ecosystems in which we operate. We recognize the scarcity of water in many parts of the world as ADC is also headquartered in one of the driest regions of the world. Hence, we utilize water management practices that help reduce our consumption at all possible locations. Whilst our business is not water "intensive" one in relative term, ADC initiated Water Conservation in the year 2019. Conceptualized by ADC, we installed level alarm systems to avoid any overflow from the drilling water pit. This as an initiative has been recognized by Saudi Aramco.

Our conservation initiatives have led to significant water efficiencies and water savings in 2019

Water Management 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, reviewing data on a regular basis.
- Clean and sanitize all portable water tanks on yearly basis.
- Conduct a daily water test by the MOH medics and monthly by third party laboratory.



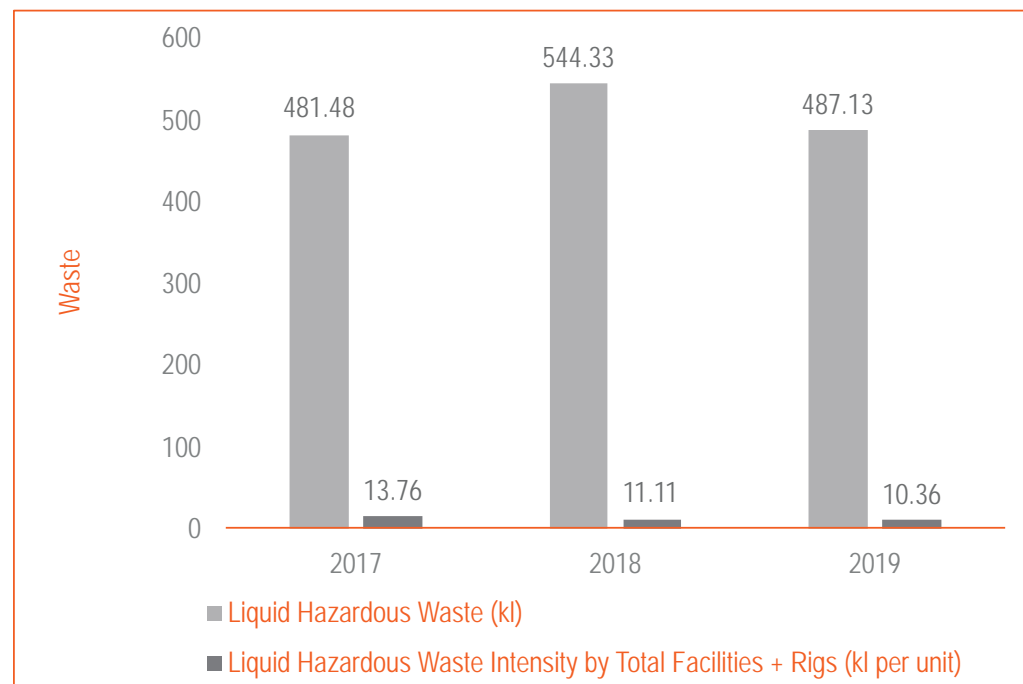
We also seek to minimize harmful discharges to the environment from offshore rigs. Our Preventive Maintenance System as well as certified third-party laboratories assist in analyzing offshore samples and review the resulting data which further helps to use and maintain the separators and treatment units on regular basis.

Waste

As per our Waste Management Program, we reduce waste by optimizing maintenance and facility processes, improving materials segregation process, and by enforcing conservation through recycling and re-use of materials. ADC Waste Management Program complies with national regulations and international standards, as well as the requirements of Saudi Aramco Environmental Standards.

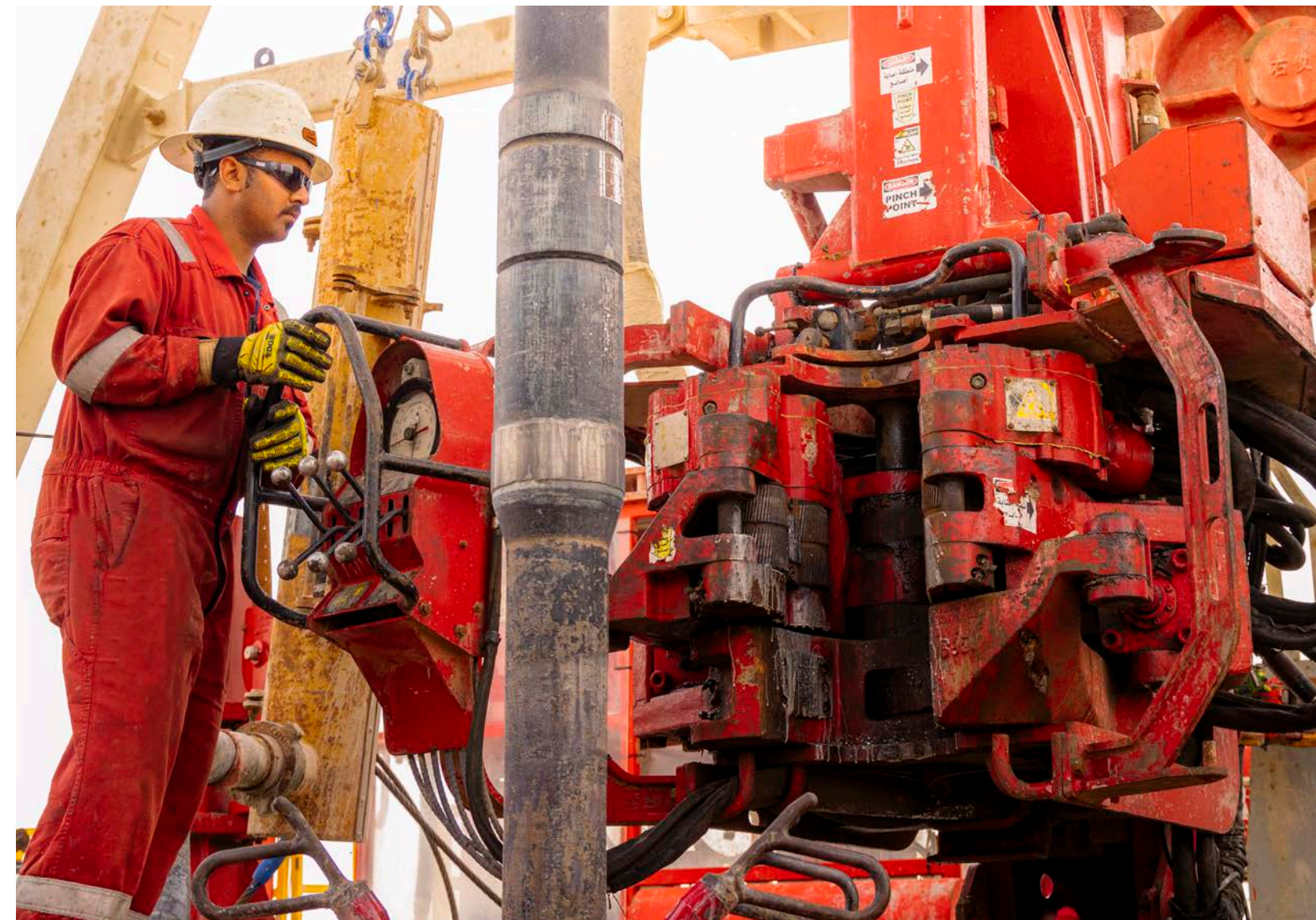
In order to tackle the problem in the future caused by the amount of waste being generated today, segregation of waste becomes an utmost priority; it helps us in monitoring and tracking the type of waste being produced from different activities. Segregated solid waste is collected in the dedicated containers according to the types of waste. Color Code along with the labeling (in English and Arabic) ensures effective waste segregation:

- Hazardous waste
- Non-Hazardous waste
- Inert Waste



Liquid hazardous waste generation decreased by 10% in 2019, in spite of significant surge in operational activities.

100% of waste oil recycled for the past 7 years.
Zero hazardous waste spills in the past 7 years.



Sustainable Society

We generate value and drive change in alignment with our sustainability vision.

ADC focuses on driving consecutive endowment in social, ethical and environmental compliance across every level of business. We impact our communities by offering inclusive high-quality training & education, life-long learning opportunities through our initiatives, advancing employment opportunities and decent work, nurturing a culture of openness in health & safety, supporting gender equality, and improving continuously actions and awareness continuously.



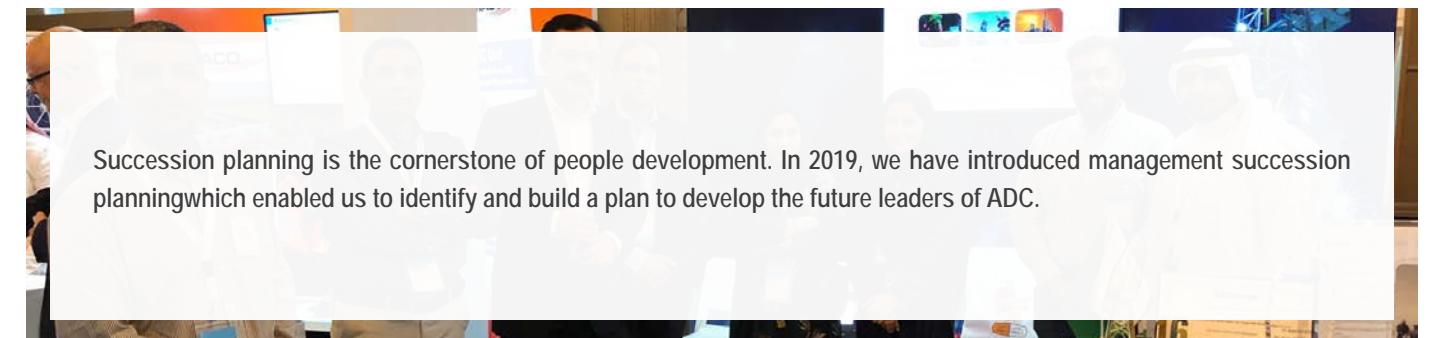
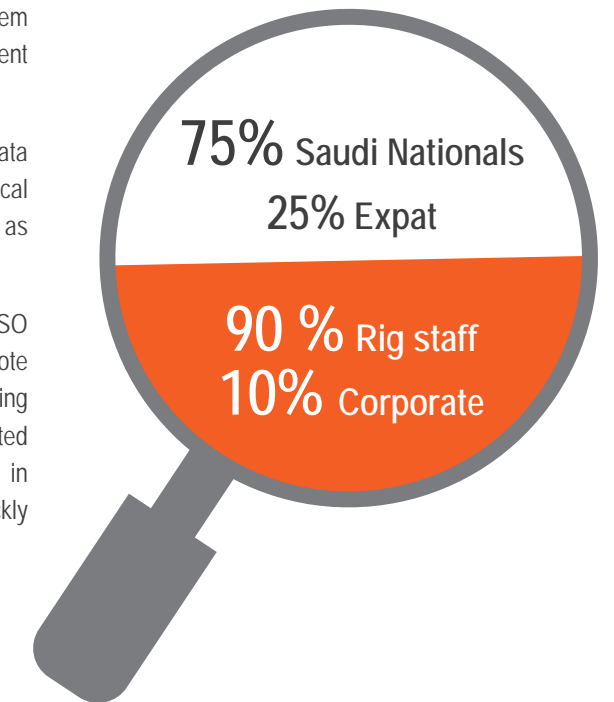
Employee Satisfaction

At ADC, we are committed to fostering a work environment and company culture characterized by trust and respect. We firmly believe in developing the skills of all our employees by providing opportunities that will further supplement a healthy personal and professional goal of every individual.

Our employees are our most valuable assets, and their development and well-being is imperative for us. We continuously strive to build a competitive workforce through acquiring the best talent in alignment with Saudi Vision 2030 and providing them with best-in-class talent development plans, training, and technical development programs.

We improved employee's experience by optimizing the employee data management, accelerating the development of our employees through technical assessments and targeted Individual Development Plans (IDP) for the field staff, as well as career development programs for office employees (Fares).

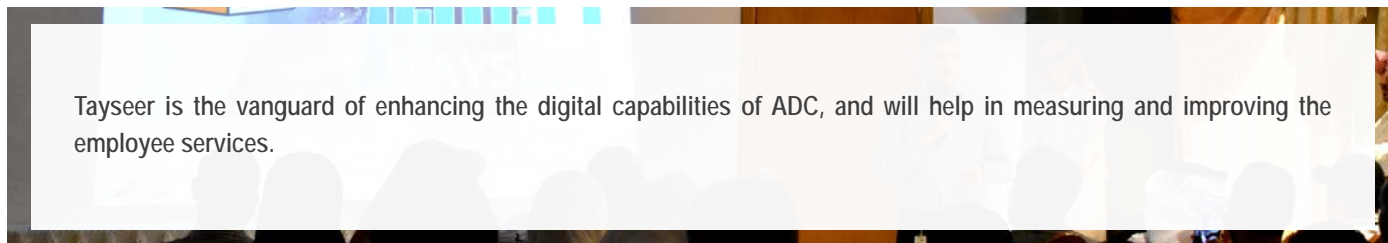
We enhanced the capabilities of our training center by securing world class ISO accreditations that are unique in the region. We also materialized our "Promote from within" philosophy by continuing our technical/field succession planning and launching the management succession planning. We further augmented our attractiveness and competitiveness in the marketplace by participating in compensation surveys, which enable us to keep an eye on the market and quickly adjust our compensation when needed.



Providing a favorable environment for our workforce to realize their full potential and grow in their career paths is of paramount importance to us. In line with the Saudi Vision, our affirmative actions and commitment adhered to maintaining 75% Saudi Nationals in our workforce during 2019.

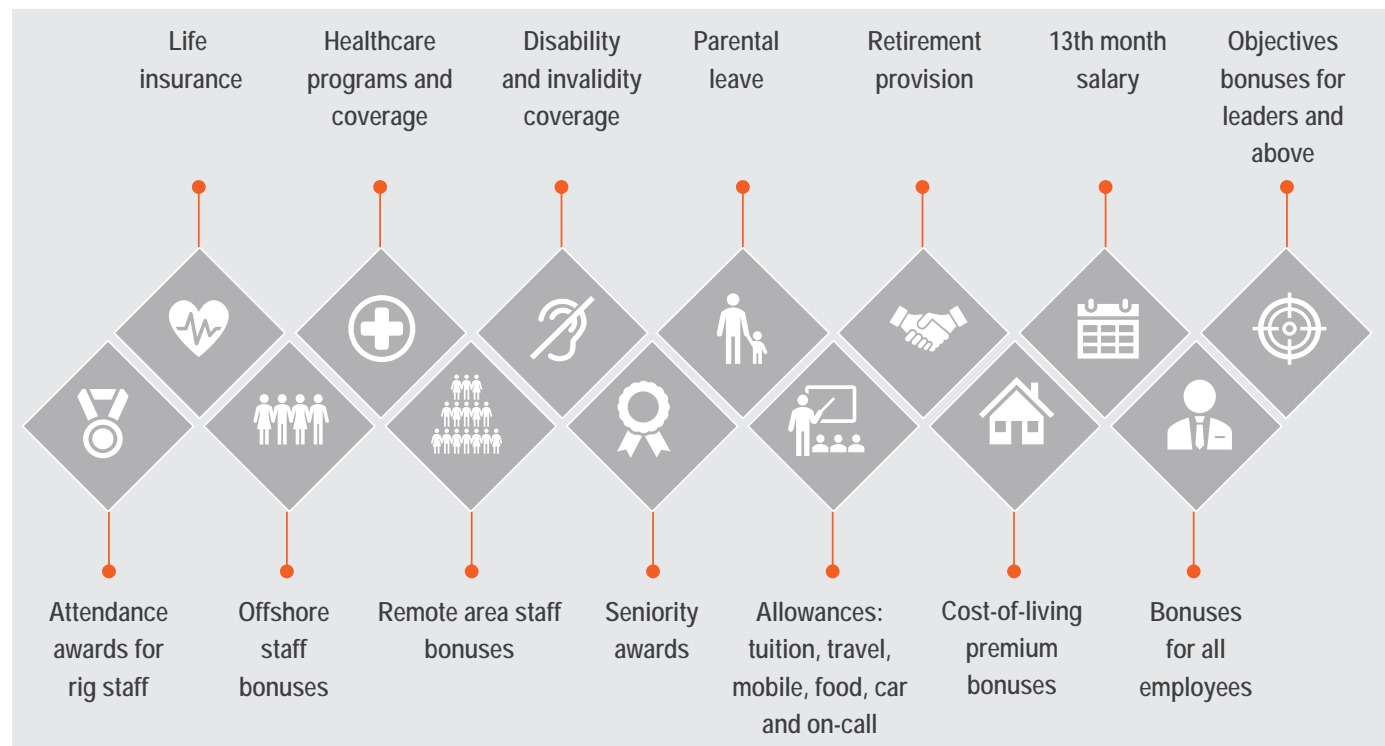
TAYSEER Application - Leading the way in the digital era: As part of our initiative towards digitization, we are now able to provide an easy access to several services through our "Tayseer" application.

This employee self-service portal includes access to instant services: Salary Slip; Instant generation of Employment Verification letters; GRO/ Visa Services; Aramco ID & Sticker; Salary Advance requests; Medical Insurance and General Inquiries. The application is available in both Arabic and English languages and also features employees as a first line of support, which empowers them to find information, request services, and resolve their issues promptly. This initiative will help us to eliminate the use of manual processes for the listed services, enable traceability, improve efficiency and reduce Environment Impact.



Benefits:

With the aim of benefiting our existing and potential future employees, we extend all statutory benefits to our employees such as insurance, retirement provision, rewards and awards, allowances as well as health benefits.



At ADC, we follow a number of practices to ensure innovation is embedded at every level of our business. We value the work of our employees to ensure their productivity as well as satisfaction is achieved. ADC's outstanding workforce is encouraged by our various appraisals and recognition programs.

Training & Development

Employee development is of paramount importance to us and we ensure continuous learning and development opportunities are available to our employees. Our strategy in this domain is materialized by our investment in a full talent development section and a dedicated training center (DTC).

At the core of our success lies a hardworking pool of dedicated employees and associates. It is our constant endeavor to attract and retain the best talent through comprehensive training and career development opportunities to ensure good long-term career prospects. We seek to embrace the professional development of high potential and managerial staff through our systematic training and development programs. Our training and development programs are specifically developed to support the ADC projects, which are also an integral part of our strategy to create a solid talent pipeline to ensure ADC's operational and managerial needs for years to come.



In 2019:

- We provided almost 20,000 formal training man-days for employees.
- DTC delivered more than 50 (technical & non-technical) training programs.

Training & Development		2016		2017		2018		2019	
Average Hours of Training	Total	111	15	110	22	138	23	41	35
	Saudi	104	15	136	22	171	22	45	35
Percentage of employees who received regular performance and career development Review	Total	91%	75%	92%	92%	93%	100%	98%	100%

ISO Certification: ADC Dhahran Training Center (DTC) is proud to announce that it is:

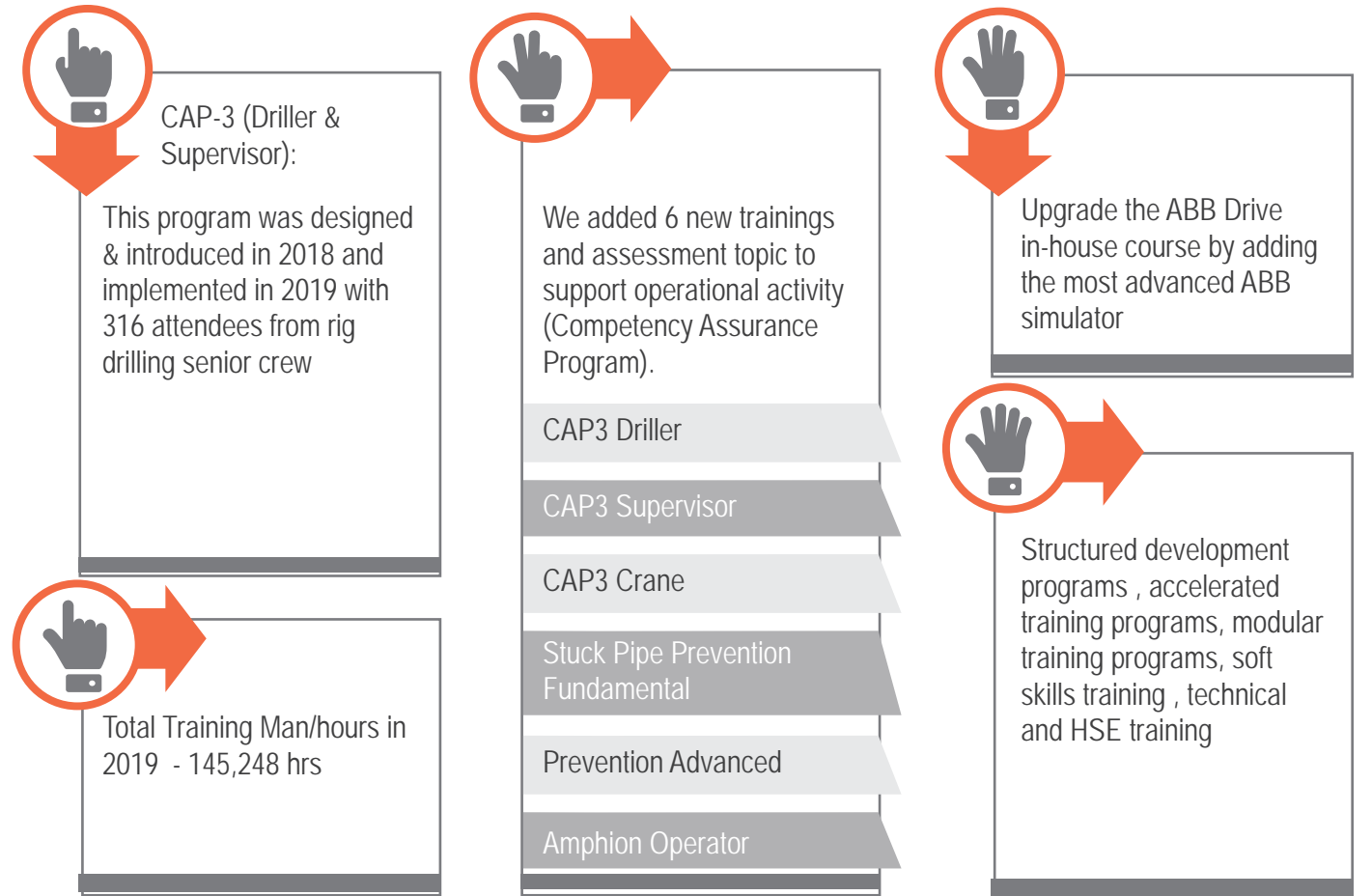
Certified ISO 9001:2015 (Quality Management System) as the 1st support department in ADC.

Certified for ISO 29993:2017 (Learning Services outside formal education) as the 1st compliant Training Center in Saudi Arabia.

ADC accelerated its efforts in the technical assessments and development plans for its field population. In 2019, we covered more than 75% of the target field employees.

We work towards maintaining a productive and healthy organization by employing and developing talented people, continually strengthening our leadership, and enhancing employee performance by fostering strong engagement.

Training Department Initiatives



Initiative to motivate female employees - ADC minimum training programs: In 2019, ADC conducted minimum training programs for its female staff. The training programs included:

1. Fire fighting Course
2. First Aid Course

The courses were arranged with a view to:

1. Reduce workplace accidents
2. Create safe work place
3. Ensure proper usage of first aid kits
4. Build the confidence and clarity during emergency situations

Capacity building of young Saudi Nationals

ADC supports the training and development of young Saudis by enrolling trainees in its BQP which is offered in:

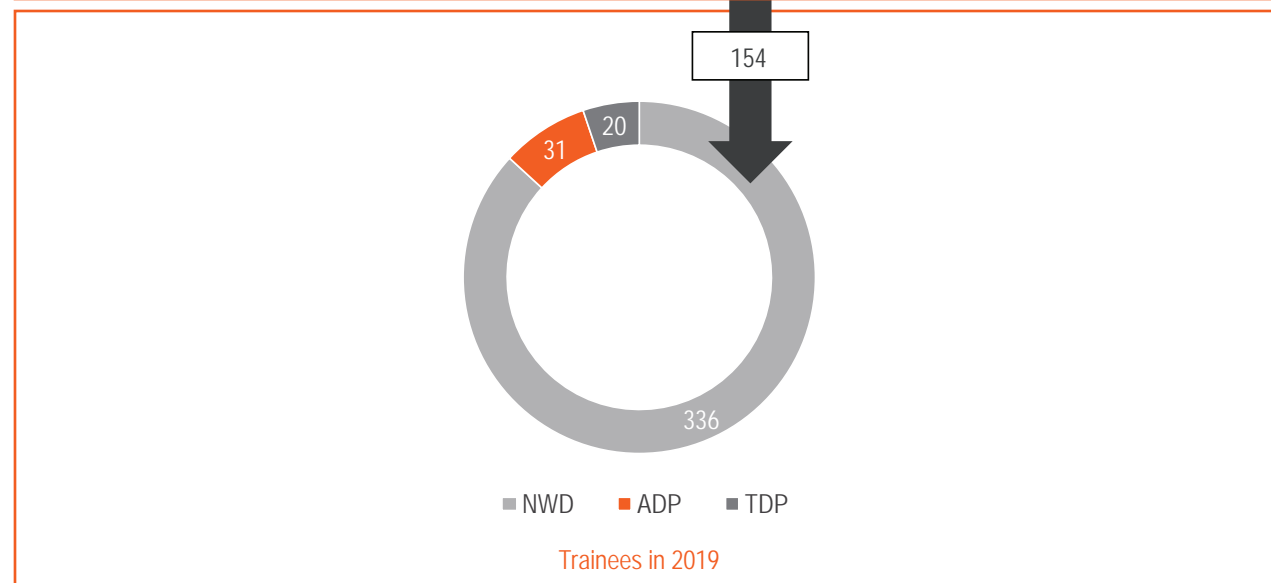
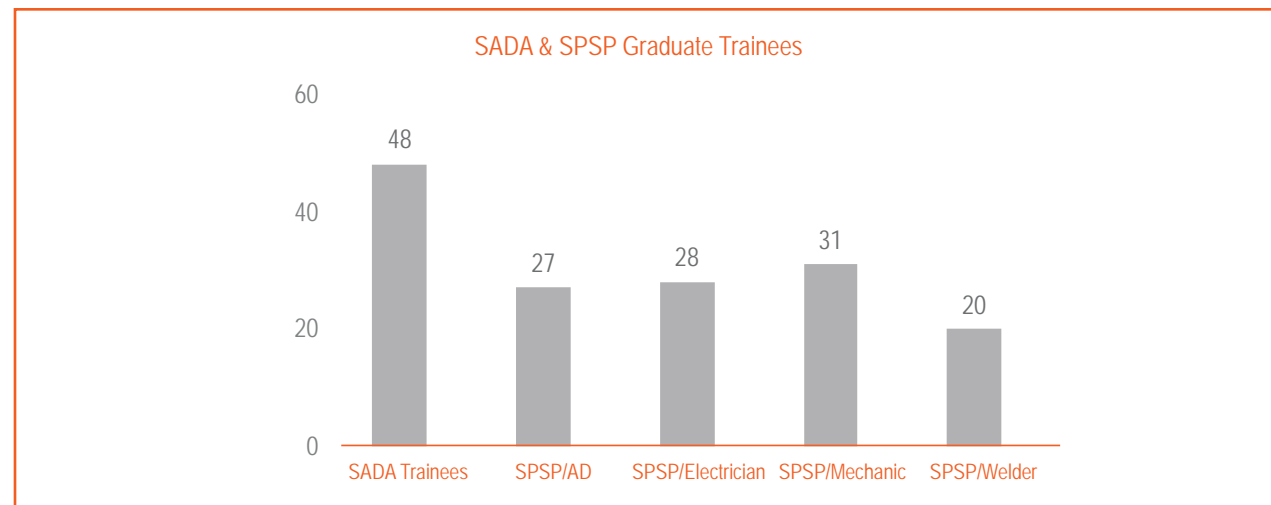
- SADA ; and
- SPSP

After graduating from SADA and SPSP, the candidates follow a career enhancement program called National Workforce Development (NWD), which is a combination of 'theoretical classroom training and on the job training'. This Program equips them with the necessary skills to hold key positions at the rig site.

Additionally, ADC's Technical Development Program (TDP) provides an opportunity to the young Saudi engineering graduates to start their career in various positions at the rig site.

ADC's Accelerated Development Program (ADP) is designed for the rig employees, who are selected after a screening process that includes a set of pre-qualification criteria set for various next level positions.

SADA = 48 and SPSP = 106



Key Highlights of 2019

- More than 150 students graduated from SPSP (106) and SADA (48), and joined ADC's NWD Program.
- 20 young Saudi graduates enrolled for the TDP.
- 20 rig employees joined and benefited from ADP.

Workshops

Communication Gap Workshop

ADC operations' compliance and QHSE departments kicked off communication gap analysis workshops for field supervisors to increase the interaction between the office management and the field personnel.

Rig Supervisors Workshop

Rig Supervisors Workshop was directed to brainstorm on ways to improve the communication gap between Head Office and Rig Team to build systematic communication channel.

Talent Improvement Workshop

ADC participated with TAQA and a couple of its associated companies in a talent improvement workshop to promote jobs and competencies among local communities.

Training Sustenance

1. 201 self-study modular training was completed by different job categories.
2. Technical Training:
 - 1890 employees have attended different types of technical training;
 - Marine training: 620 employees have attended the marine training;
 - HSE training: 6634 employee have attended the HSE training; and
 - Soft skills: 245 employees have attended the soft skills training.

In 2019, we continued WISER 1 & 2 soft skills program and further added WISER-3 program (for office Supervisor) with total of 200 employees (85% of target employees) participated.

Facilitating Employee Development

At ADC, Individual Development Plan (IDP) is formed to ensure our employees reach their short and long term goals, as well as improve their current job performance through consistent feedback. Our talent department accompanied the workshop with rig department heads and senior crews with an intention to collect feedback concerning the assessment conducted and follow up on IDP. ADC Management visited rig sites and expressed gratitude by awarding rig crews with a performance award and appreciated for keeping the rigs in good condition.

Hafouf Engagement Workshop

In 2019, ADC conducted an Engagement Workshop in Hafouf for its employees. The objective of the workshop was to train these employees regarding:

1. Rig Efficiency Index (REI);
2. Rig Move Bonuses;
3. Stop Work Authority (SWA);
4. Presentations of Unsafe Acts;
5. The ADC Cup Campaign; and
6. Tayseer Program.

Diversity & Equal Opportunity

At ADC, we work to create a diverse and inclusive organization. We firmly believe that inclusion increases company performance that enables us to meet challenges and generates sustainable value by supporting **Saudi Vision 2030**.

We depend on being able to attract and retain diverse talents locally and globally to succeed in our strategy and deliver on our commitment to our customers. We do not tolerate discrimination against any employee or job applicant based on the individual's race, color, religion, gender, sexual orientation, national origin, age, disability, or any other personal attributes. We initiated on the Saudi Aramco's **the IKTVA program** and aimed to drive value creation and maximize long term economic growth in Saudi Arabia by The sale of local goods and

services;

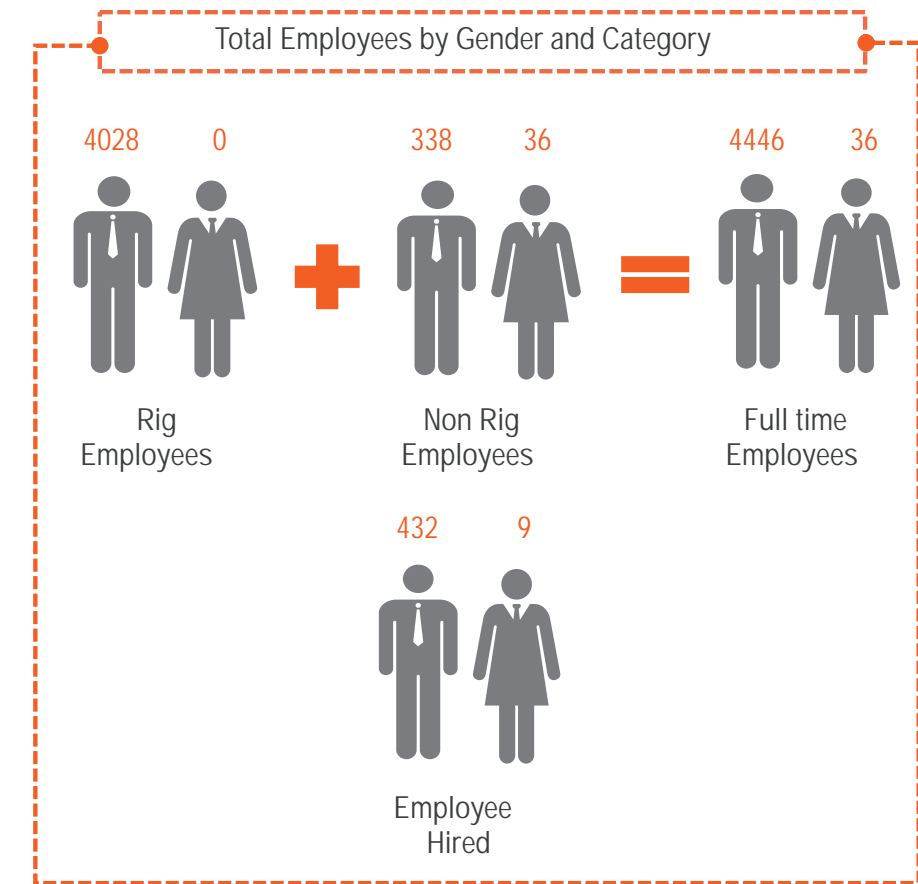
- Saudi salaries;
- The training and development of Saudi nationals;
- Spending on local suppliers and manufacturers; and
- National revenue (Saudi Riyal - SAR).

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, attractive rotation schemes and covered travel expenses. ADC also collaborates with TAQAT which works to further develop the labor force in the Kingdom.

We continue to channel our focused effort towards improving the gender diversity

We emphasize our commitment to ensure a diverse workforce and management, and to maintaining an inclusive work environment that builds on our core values. Our industry is male dominated as per the statistics, especially among our onshore and offshore employees. However, we work actively to increase the number of women in managerial positions. We provide trainings to all female employees; we additionally drive them to visit sites for understanding operations.

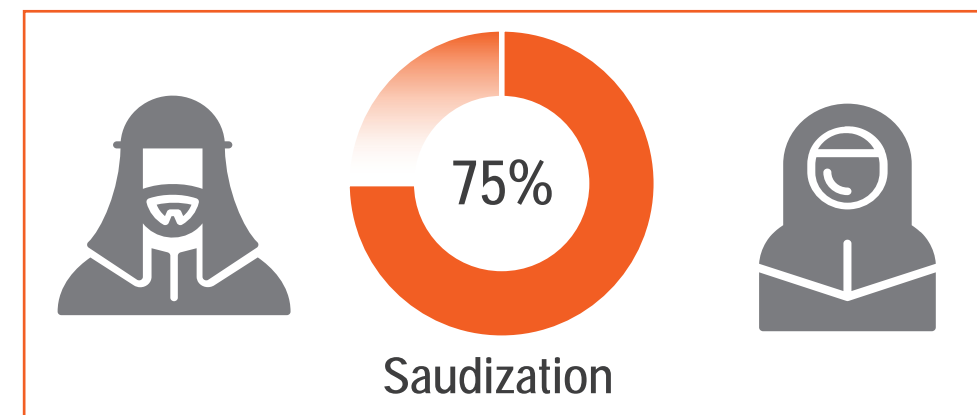
To ensure equal opportunities, we provided our newly joined female staff with an opportunity to contribute more to all departments of ADC and undertake more challenges – as per Saudi Vision 2030. When assessing employees for promotion, we take into account that the population is diverse in terms of gender. We have made necessary office arrangements for women to feel at ease which is 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.



Responsible Social Behavior

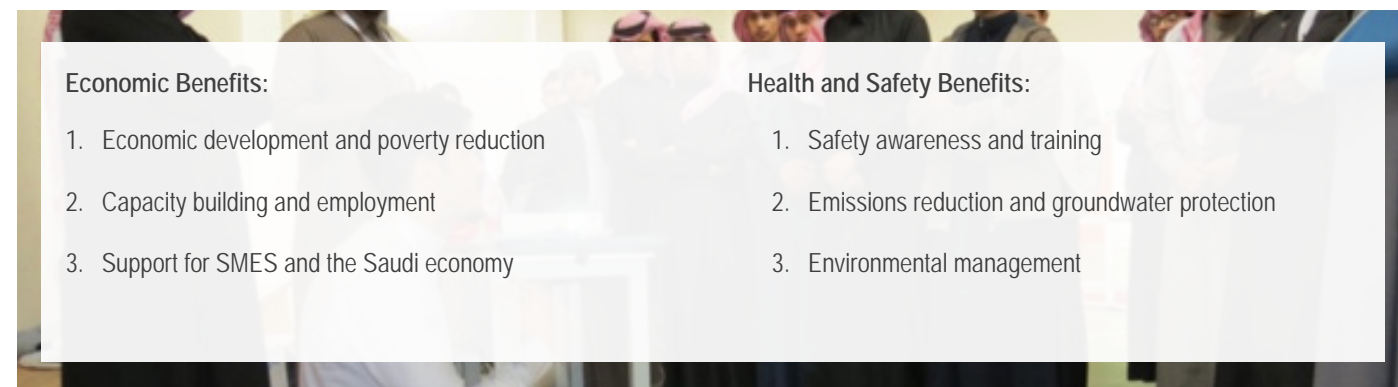
Local Communities

It is at the core of ADC's values to contribute to the economic and social development of the nation. **We develop local employees and transfer knowledge to local communities.** In order for an operation to be successful, it has to be mutually beneficial to both the operator and the nation. For this reason, we prioritize our local community development and implement programs in our operations, focusing on employment, procurement, local investments, and community engagement.



Creating Indirect Social Value

It is at the essence of ADC's values to contribute towards the economic and social development, equip local employees, and transfer knowledge to local communities. ADC enhances capabilities of youth in earning their livelihood, increases employability, and earning capability through training and various development programs. We are persistent in our attempt for social upliftment through Corporate Social Responsibility (CSR) and employee welfare practices.



Building Saudi Capacity

In line with our sustainability & CSR policy, we believe in actively assisting in improving quality of life of the people across communities by recruiting maximum number of Saudis and educating them for future endeavors. Community investment is an integral part of our engagement with communities. We invariably work towards adding value to each one's life. Our planning, with a focus on the community, helps us to understand its changing needs better, and thus to address these, we develop various programs.

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. 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 who can enhance knowledge sharing and skills transfer to our Saudi employees. When a local employee is hired, an individual training plan is prepared based on the employee's previous experience and competencies. These programs include courses to upskill employees to the required level prior to attending regular courses as part of the rig specific training matrix or on-the-job training.

Support for Prisoners & their Families

ADC continued to support the development of prisoners and their families, which was initiated in 2018. We were recognized as one of the main sponsors of the National Committee for the care of Prisoners and their Families, Eastern Province. In 2019, the project was concerned with securing 20 inmates' families in terms of upliftment of their living conditions, providing education, and basic amenities. Under this program, 350 inmates' families were sponsored by the committee in the aspects of social, financial, educational, training and development etc.

This initiative supports prisoners and their families towards enhancing their social status. It changes the behavioral image of the inmates to the extent of community cohesion and its good effect on adjusting their path in the future. Also, it supports in protecting society's structure by keeping the inmates' children away from immoral behaviors (begging, stealing, robbery, etc.).

Health Development Program

At ADC, we aim to create positive, mutually beneficial relationships with our host communities. As part of this relationship, we joined hands with Saudi Aramco for an HSE campaign for high school students at Tamayez School in the city of Arar located in Northwest Saudi Arabia. This contribution motivated us to meet the highest standards of corporate citizenship by providing basic health education and enriching youths by providing basic First Aid and CPR training to the participating school children. Approximately 300 children attended this campaign.

Way forward for year 2020

In 2019, we launched English Program for our employees, to create a work environment with reciprocal communications amongst our people; we further aim to achieve maximum number of enrollment for this program.

Customer Privacy

We continuously endeavor to accommodate the best practices to magnify our customer engagement and to meet the ever-evolving needs of our customers. Our goal is to work together, building trusted and long-term relationships in order to create value among all stakeholders.

The data security of our customers is guaranteed through a steady customer privacy policy that tracks and measures chief aspects of customer dissatisfaction. We also have potent CoC guidelines which covers several policies that satisfy customer needs. However, there has been no case of non-compliance or violations with regards to customer privacy during the reporting year.

Way forward for year 2020

ADC designed a new leadership & people management program and we look forward to implement the program in year 2020.





Appendix

Annexure

Employee Headcount												
	2014		2015		2016		2017		2018		2019	
Total Employees	3,068		3,616		3,584		3,321		4,737		4,482	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total	3,066	2	3,602	14	3,568	16	3,300	21	4,709	28	4,446	36
Managers and above	39	0	46	0	49	0	51	0	76	0	80	0
Under 30 years old	0	0	0	0	0	0	2	0	1	0	0	0
30-50 years old	26	0	25	0	28	0	33	0	52	0	55	0
Over 50 years old	13	0	21	0	21	0	16	0	23	0	25	0
Saudi	16	0	19	0	20	0	22	0	26	0	31	0
Non-Saudi	23	0	27	0	29	0	29	0	50	0	49	0
Non-rig Employee	341	2	362	14	204	16	273	21	378	28	338	36
Under 30 years old	24	1	30	4	24	6	37	12	58	13	100	17
30-50 years old	245	1	250	10	137	10	190	9	264	14	206	18
Over 50 years old	72	0	82	0	43	0	46	0	56	1	32	1
Saudi	207	1	221	14	130	16	160	21	230	28	263	36
Non-Saudi	134	1	141	0	74	0	113	0	148	0	75	0
Rig Employees	2,725	0	3,240	0	3,364	0	3,212	0	4,331	0	4,028	0
Under 30 years old	948	0	1,277	0	1,357	0	1,456	0	1,921	0	1,676	0
30-50 years old	1,518	0	1,693	0	1,743	0	1,553	0	2,201	0	2,129	0
Over 50 years old	259	0	270	0	264	0	203	0	209	0	223	0
Saudi	1,855	0	2,247	0	2,390	0	2,448	0	3,184	0	3,041	0
Non-Saudi	870	0	993	0	974	0	764	0	1,147	0	987	0
Employee Hired	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total	1,146	1	1,029	14	300	2	283	6	1,800	8	432	9
Under 30 years old	600	0	636	4	178	2	194	6	1,041	4	223	5
30-50 years old	509	1	333	10	92	0	72	0	705	3	180	4
Over 50 years old	37	0	60	0	30	0	17	0	54	1	29	0
Employee Turnover (includes termination, resignation, retirement, death and redundancy)	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total	419	0	493	2	449	0	436	1	392	0	695	1
Under 30 years old	260	0	274	1	219	0	153	0	221	0	239	0
30-50 years old	133	1	176	1	155	0	208	1	132	0	347	1
Over 50 years old	26	0	43	0	75	0	75	0	39	0	109	0

Operations						
	2014	2015	2016	2017	2018	2019
Total Asset (SAR million)	5,115	6,126	6,061	5,885	7,183	7,461
Total Facilities + Rigs	24	32	32	35	49	50

Health & Safety						
Incident Rates for Employees	2014	2015	2016	2017	2018	2019
Injury Rate (IR)	1.84	2.13	2.51	1.54	1.08	0.79
Occupational Disease Rate (ODR)	0.17	0.46	0.15	0	0	0
Lost Day Rate (LDR)	0.23	0.8	0.35	0.27	0.14	0.18
Absentee Rate (AR)	0.0002	0.0002	0.0004	0.0003	0.0002	0.00007
Work-Related Fatalities	0	0	0	0	0	0
Incident Rates for Workers (contractors, etc.)	2014	2015	2016	2017	2018	2019
Injury Rate (IR)	0	0	0.42	0	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

Training & Development												
	2014		2015		2016		2017		2018		2019	
Average Hours of Training	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total	38.23	8	37.7	8	111	15	110	22	138	23	41	35
Under 30 years old	39	8	37	8	41	14	110	25	135	18	35	31
30-50 years old	38	8	29	8	61	16	28	19	138	19	37	35
Over 50 years old	39	0	39	0	10	0	26	0	148	40	10	44
Saudi	41.65	8	39.77	8	104	15	136	22	171	22	45	35
Non-Saudi	31.21	0	33.2	0	6.96	0	42	0	50	0	36	0
Percentage of Employees Who Received Regular Performance and Career Development Review	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total	84%	0%	88%	85%	91%	75%	92%	92%	93%	100%	98%	100%
Under 30 years old	93%	0%	79%	67%	96%	44%	96%	90%	90%	100%	40%	47%

Training & Development (Cont'd)												
	2014		2015		2016		2017		2018		2019	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Percentage of Employees Who Received Regular Performance and Career Development Review												
30-50 years old	80%	0%	96%	93%	89%	93%	93%	93%	90%	100%	54%	50%
Over 50 years old	76%	0%	79%	0%	72%	0%	73%	0%	75%	0%	6%	3%
Saudi	89%	0%	88%	85%	96%	75%	96%	90%	96%	100%	76%	100%
Non-Saudi	72%	0%	88%	0%	77%	0%	80%	0%	85%	0%	24%	0%

Resources Consumption						
Energy	2014	2015	2016	2017	2018	2019
Fuel (kl of diesel)	65,192	2.13	80,315	79,239	98,825	121,664
Fuel Intensity by Total Facilities + Rigs (kl per unit)	2,716	2,479	2,510	2,264	2,017	2,765
Water	2014	2015	2016	2017	2018	2019
Water from Municipal Utility (kl)	309,299	368,356	336,595	352,782	452,191	599,192
Water Intensity by Total Facilities + Rigs (kl per unit)	12,887	11,511	10,519	10,079	9,228	13,618
Waste	2014	2015	2016	2017	2018	2019
Liquid Hazardous Waste (kl)	313.6	465.34	501.72	481.48	544.33	487.13
Liquid Hazardous Waste Intensity by Total Facilities + Rigs (kl per unit)	13.07	14.54	15.68	13.76	11.11	10.36
Recycled Liquid Hazardous Waste (kl)	313.6	465.34	501.72	481.48	544.33	487.13
% Recycled	100%	100%	100%	100%	100%	100%
Solid Non-Hazardous Waste (tonnes)	163.95	486.82	1,114.63	1,084.05	2,397.43	3,028.39
Solid Non-Hazardous Waste Intensity by Total Facilities + Rigs (tonnes per unit)	6.83	15.21	34.83	30.97	48.93	64.4
Landfill (tonnes)	163.95	486.82	1,114.63	1,084.05	2,397.43	3,028.39

Management						
Percentage of New Suppliers Assessed	2014	2015	2016	2017	2018	2019
Environmental Criteria	100%	100%	100%	100%	100%	100%
Social Criteria	100%	100%	100%	100%	100%	100%
Local Procurement	2014	2015	2016	2017	2018	2019
Percentage of Procurement						
Budget Spent on Local Vendors	42%	49%	68%	72%	40%	61%
Supplier Satisfaction	N/A	91%	95%	Assessment in Progress	No update	No update

Customer Satisfaction						
	2014	2015	2016	2017	2018	2019
Service Quality Appraisal Rating	N/A	88%	90%	92%	92%	92%

GRI Content Index

GRI content index is clearly presented and the references for all disclosures included align with the appropriate section in the body of the report.

GRI Content Index				
General Disclosure	Disclosure Number	Disclosure Title	Information	Page No.
GRI 102: General Disclosures 2016	Organization profile			
	102-1	Name of the organization	Cover Page	01
	102-2	Activities, brands, products, and services	About us	12
	102-3	Location of headquarters		
	102-4	Location of operations		
	102-5	Ownership and legal form		
	102-6	Markets served		
	102-7	Scale of the organization		
	102-8	Information on employees and other workers		
	102-9	Supply chain	Sustainable Economy (Economic Development, Procurement Practices)	59-60, 62-64
	102-10	Significant changes to the organization and its supply chain	Sustainable Values (Governance), Sustainable Economy (Economic Development, Procurement Practices)	24, 59-60, 62-64
	102-11	Precautionary Principle or approach	Sustainable Environment- ADC consistently promotes and complies with the environmental laws and regulations.	68
	102-12	External initiatives (part of charters or international organizations)	UN SDGs, Saudi Vision 2030, Saudi Aramco IKTVA, ISO Standards	13-17
	102-13	Membership of associations	None	-
	Strategy			
	102-14	Statement from senior decision-maker	Leadership Message	08-10
	Ethics and Integrity			
	102-16	Values, principles, standards, and norms of behavior	Sustainable Values	22-23
	102-17	Mechanisms for advice and concerns about ethics	Sustainable Values (Ethics Integrity)	25-27
	Governance			
102-18	Governance structure	Sustainable Values (Governance)	24	
102-25	Conflicts of interest	Sustainable Values (Ethics Integrity) Sustainable Economy (Anti-Corruption)	25-27, 65	

GRI Content Index				
General Disclosure	Disclosure Number	Disclosure Title	Information	Page No.
GRI 102: General Disclosures 2016	102-30	Effectiveness of risk management process	Sustainable Values (Enterprise Risk Management)	27-29
	102-32	Highest governance body's role in sustainability reporting	Sustainable Values (Governance)	24
	Stakeholder Engagement			
	102-40	List of stakeholder groups	Sustainable Values (Sustainable Strategy)	34-35
	102-42	Identifying and selecting stakeholders		33
	102-43	Approach to stakeholder engagement		34-35
	102-44	Key topics and concerns raised		36-37
	Reporting Practices			
	102-45	Entities included in the consolidated financial statements	OFSAT Arabia	05
	102-46	Defining report content and topic Boundaries	About this report	
	102-47	List of material topics	Sustainable Values (Sustainable Strategy - Materiality Assessment)	36-37
	102-48	Restatements of Information	About this report	05
	102-49	Changes in Reporting		
	102-50	Reporting Period	1 January 2019- 31 December 2019	
	102-51	Date of most recent Report	March 2019	-
	102-52	Reporting Cycle	Annual	05
	102-53	Contact point for questions regarding the report	About this report (Feedback and Suggestions)	
	102-54	Claims of reporting in accordance with the GRI Standards	About this report (GRI Reporting Initiative)	
	102-55	GRI Content Index	GRI Content is provided here	94-97
	Management Approach			
	103-1	Explanation of the material topic and its Boundary	Sustainable Values (Sustainability Strategy – Materiality Assessment)	36-37
	103-2	The management approach and its components	Sustainable Values (Sustainability Strategy)	30-31

GRI Content Index				
Material Topics	Disclosure Number	Disclosure Title	Information	Page No.
Economic				
Indirect Economic Impact	203-2	Significant indirect economic impacts	Sustainable Economy (Indirect Economic Impact)	61
Procurement Practices	204-1	Proportion of spending on local suppliers	Sustainable Economy (Procurement Practices – Local Procurement)	62-64
Anti-Corruption	205-2	Communication and training about anti-corruption policies and procedures	Sustainable Economy (Anti-Corruption)	65
Environment				
Energy	302-1	Energy consumption within the organization	Sustainable Environment (Energy and Emission)	69-70
	302-3	Energy intensity	Sustainable Environment (Energy and Emission)	
Water	303-1	Water withdrawal by source	Sustainable Environment (Water)	71
Emission	305	Emissions	Sustainable Environment (Energy and Emission)	69-70
Effluent & Waste	306-2	Waste by type and disposal method	Sustainable Environment (Waste)	71
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Sustainable Environment (Environmental Compliance)	67-68
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Sustainable Economy (Procurement Practices – Local Procurement)	62-64
Social				
Employment	401-1	New employee hires and employee turnover	Sustainable Society (Employee Satisfaction, Diverse and Equal Opportunities), Annexure	75, 82-83, 90
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainable Society (Employee Satisfaction – Benefits)	76
Occupational Health & Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Sustainable Operations (OHS)	52

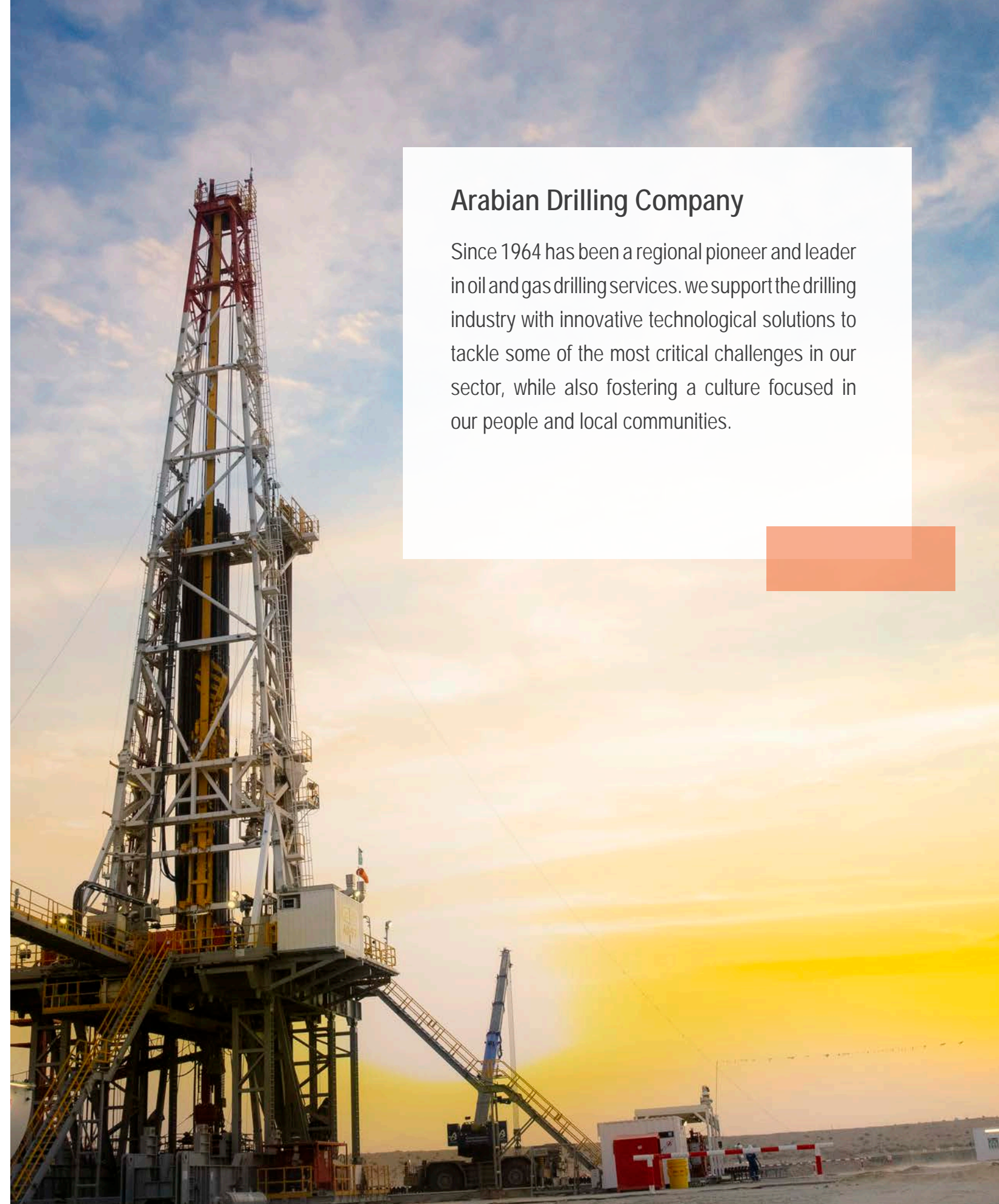
GRI Content Index				
Material Topics	Disclosure Number	Disclosure Title	Information	Page No.
Social (Cont'd)				
Training & Education	404-1	Average hours of training per year per employee	Sustainable Society (Training & Development)	77-82
	404-2	Programs for upgrading employee skills and transition assistance programs		
	404-3	Percentage of employees receiving regular performance and career development reviews		
Diversity & Equal Opportunity	405-1	Diversity in employees and Equal Opportunity	Sustainable Society (Diversity & Equal Opportunity)	82-83
Local Community	413-1	Local Communities engagement and involvement	Sustainable Society (Responsible Social Behavior)	83-85
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Sustainable Economy (Procurement Practices – Local Procurement)	62-64
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainable Society (Customer Privacy)	86



This report was produced in consultation with Protiviti, a global consulting firm that delivers deep expertise, objective insights, a tailored approach, and unparalleled collaboration to help companies confidently face the future. Protiviti, with its mission to deliver confidence in a dynamic world, has served more than 60 percent of Fortune 1000® and 35 percent of Fortune Global 500® companies.

Arabian Drilling Company

Since 1964 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 in our people and local communities.



Arabian Drilling Company
P.O. Box 4110, Al-Khobar 31952
Kingdom of Saudi Arabia
+966 13 8297003

arabdrill.com

Youtube: Arabian Drilling Company SA
Twitter: @ADC_KSA
Email id: sustainability@arabdrill.com

