2017 RC AWARD
PERFORMANCE, OUTCOMES AND KEY FINDINGS

The King Khalid Responsible Competitiveness (RC) Award is key to increasing the Kingdom's competitiveness at the global level, and uses a comprehensive questionnaire to assess how Saudi companies incorporate social, environmental and governance considerations into the core of business operations.
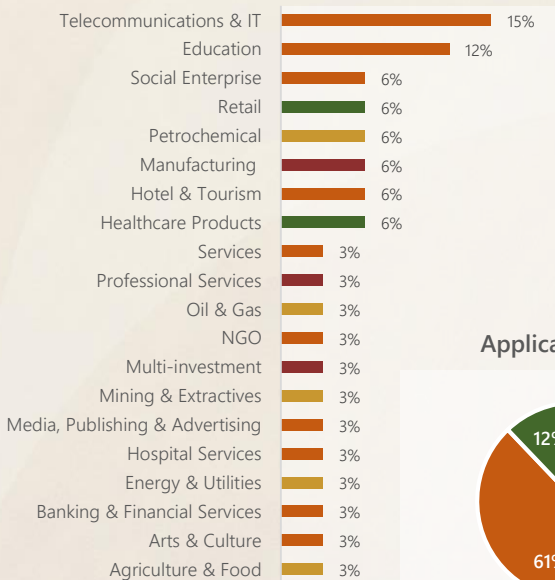
The current report presents an overview of applicants performance during the 2017 cycle.

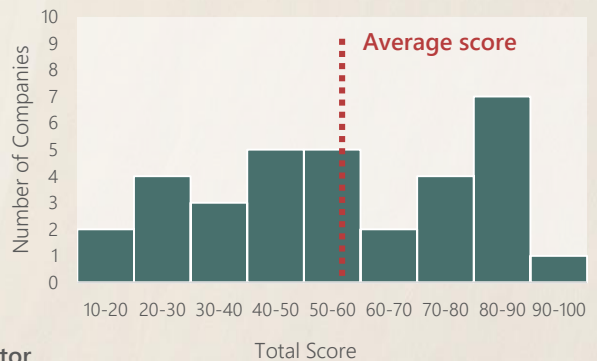## 2017 RC PERFORMANCE OVERVIEW

The 2017 Award attracted a diverse applicant pool, including a mix both international and Saudi-based organizations. The Award saw a balanced distribution between business-to-business and consumer facing companies, and a good representation of small, medium-sized and large companies.

The RC Award recognizes the work of the participating companies and is hopeful for greater performance in the future. The average performance score attained by participants of the 2017 RC Award cycle is 56.3%.
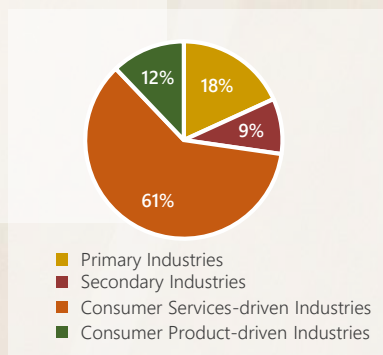
Applicants By Industry

Industry	%
Telecommunications & IT	15%
Education	12%
Social Enterprise	6%
Retail	6%
Petrochemical	6%
Manufacturing	6%
Hotel & Tourism	6%
Healthcare Products	6%
Services	3%
Professional Services	3%
Oil & Gas	3%
NGO	3%
Multi-investment	3%
Mining & Extractives	3%
Media, Publishing & Advertising	3%
Hospital Services	3%
Energy & Utilities	3%
Banking & Financial Services	3%
Arts & Culture	3%
Agriculture & Food	3%

Score Distribution

Average score

Number of Companies

Total Score: 10-20, 20-30, 30-40, 40-50, 50-60, 60-70, 70-80, 80-90, 90-100

Applicants By Sector

- 18%
- 9%
- 61%
- 12%

Legend:
- Primary Industries
- Secondary Industries
- Consumer Services-driven Industries
- Consumer Product-driven Industries

CORE AREA PERFORMANCE

The RC assessment consists of five Core Areas, which are representative of the responsible practices companies should be undertaking to improve their performance going forward. The below graph depicts the performance by Core Area for all participants and highlights the highest score in each individual Area.
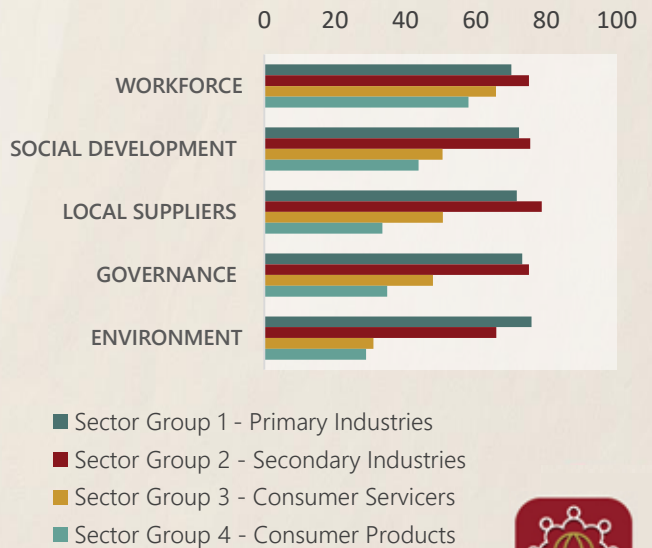
Highest scores achieved in Local Suppliers and Environment Core Area came very close to maximum points awarded, showing good performance within companies in these areas. Scores in Social Development and Governance are also promising for the future development of firms.
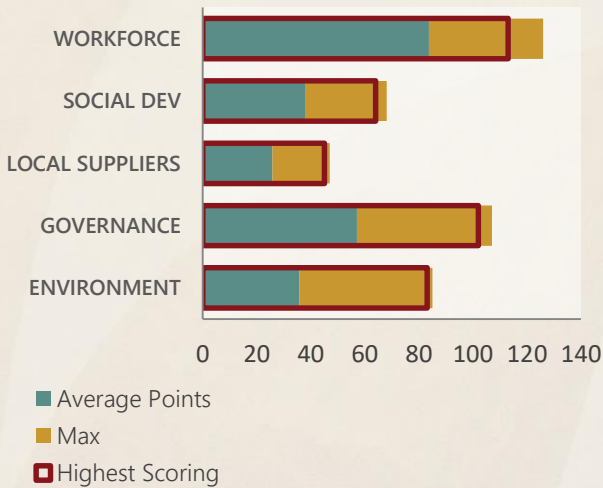
SECTOR PERFORMANCE

More than 20 different industries were represented in this cycle, and were categorized into four Sector Groups to account for diverse sustainability challenges. Each Sector Group was attributed a different weighting for each section included in the questionnaire. The adjacent graph looks at the sector performance by Core Area.

Sector Group 2 (Secondary Industries) demonstrated the highest performance across the Award's five Core Areas, with an average score of 73%. Sector Group 4 (Consumer Products) indicated the greatest potential for improvement.

Core Area Performance chart — horizontal bars for WORKFORCE, SOCIAL DEV, LOCAL SUPPLIERS, GOVERNANCE, ENVIRONMENT. Axis 0 to 140.
Legend:
- Average Points
- Max
- Highest Scoring

Sector Performance chart — horizontal bars for WORKFORCE, SOCIAL DEVELOPMENT, LOCAL SUPPLIERS, GOVERNANCE, ENVIRONMENT. Axis 0 to 100.
Legend:
- Sector Group 1 - Primary Industries
- Sector Group 2 - Secondary Industries
- Sector Group 3 - Consumer Servicers
- Sector Group 4 - Consumer Products

AWARD WINNERS

The RC Award completed another successful year. The 2017 Award cycle saw the top three overall honors go to Saudi-born companies, with Arabian Drilling Company achieving First Place Winner through its targeted policies, bold initiatives, and constant and tangible efforts of its leadership and employees.

Award winners were honored for their excellence at the King Khalid Awards Gala, attracting local and regional media attention and considerable attention for businesses and key stakeholders in the Kingdom.

CORE AREA WINNERS

Along with the overall RC winners, the Award recognized five Core Area winners that demonstrated good performance consisting of a robust strategy and processes, a strong business case and alignment to the national and regional context within Saudi Arabia.

FIRST	ARABIAN DRILLING COMPANY (ADC)
SECOND	SAUDI ARABIAN MINING COMPANY (MA'ADEN)
THIRD	SPECIAL DIRECTION
	MIDDLE EAST PAPER CO. (MEPCO)

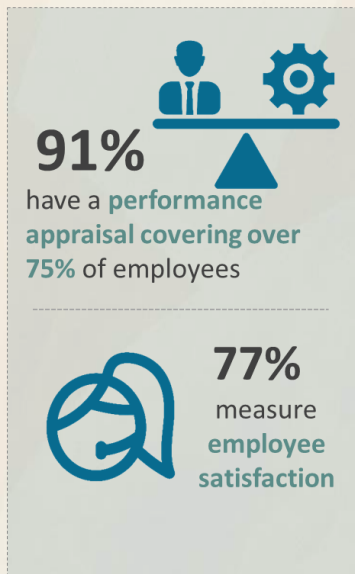| Core Area	Winner
BUILDING A NATIONALLY COMPETITIVE WORKFORCE	GLOWORK
INNOVATING SOLUTIONS FOR SUSTAINABLE DEVELPMENT	TARBIYAH NAMOUTHAJIYAH SCHOOL
EMPOWERING LOCAL SUPPLIERS	NATIONAL INDUSTRIALIZATION COMPANY (TASNEE)
COMMITMENT TO GOOD GOVERNANCE AND HIGH QUALITY	GENERAL ELECTRIC (GE)
RESPONSIBLE ENVIRONMENTAL MANAGEMENT	ARABIAN PETROCHEMICAL COMPANY (PETROKEMYA)

TOP SCORING AREAS

Applicants demonstrated a high performance in the areas of workforce performance, ethics and protection, and quality management.

PERFORMANCE MANAGEMENT

91% have a **performance appraisal covering over 75%** of employees

77% measure **employee satisfaction**

ETHICS AND PROTECTION

94% have a **process** for **employees** to **raise grievances**

79% provided a **high-level description of process**

Require **employees** to sign an **agreement** acknowledging **ethics policy** **94**%

COMMITMENT TO HIGH QUALITY

91% Have a **QMS in place**

81% Measure **customer satisfaction**

Applicants notably indicated:

✓ Processes and mechanisms to monitor and address employee perspectives, and evaluate their performance
✓ Formalized processes for grievances and ethics
✓ Systems and mechanisms to ensure the safety, reliability and quality of their products and services

IMPROVEMENT AREAS

Materiality assessment, stakeholder engagement and non-financial reporting indicated significant potential for improvement.

MATERIALITY ASSESSMENT PROCESS

52%
have a process to identify **material issues**

9%
involve stakeholders in their process to determine materiality issues

36%
listed **material issues**

STAKEHOLDER ENGAGEMENT

60%
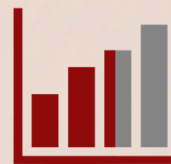stated to have a process to identify **key stakeholders**

18%
listed **3 key stakeholder groups**

36%
demonstrated **stakeholder mapping process**

NON FINANCIAL REPORTING

55%
publish their **financial and non-financial information**

24%
use an **international reporting framework** in the process

The 2017 RC Leading Practices Workshop provided the opportunity to applicants to deepen their knowledge in the above areas, and practise through dedicated activity sessions.