

# SAUDI ARABIAN OIL COMPANY (Saudi Aramco) GENERAL INSTRUCTION MANUAL

ISSUING ORG. CORPORATE CONTRACTORS SAUDIZATION  
SUBJECT SAUDIZATION OF THE CONTRACTOR WORKFORCE

GI NUMBER **Approved**  
1809.004

ISSUE DATE 12/19/2005	REPLACES New
APPROVAL HTS	PAGE NO. 1 OF 4

## SCOPE

This General Instruction contains guidelines and methods for Saudi Aramco organizations which are proponents or end users of contracts to partner with their contractor companies in support of Saudi Aramco's contractor Saudization mandates, initiatives, and strategy as set out in Corporate Policy PER-3: "Workforce Composition: Saudi Aramco Contractors, Vendors and Suppliers."

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- 1.0 Background
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### 1.0 BACKGROUND

Saudi Aramco is committed to its corporate value of Citizenship and is therefore taking the initiative to encourage Saudization of its contractors' workforce. Therefore, the Corporate Contractors Saudization function (CCS) was established in ER&T in January 2005, by merging Industrial Relations' Strategic HR Project and the E&OS Saudization Task Force, in order to further enhance and integrate the contractor workforce Saudization process across the Company.

### 2.0 DEFINITIONS

The following terms are used in the instruction.

- Proponent:** Saudi Aramco organization that signs a contract to procure services or materials.
- End user:** This phrase is used in this document to signify a Saudi Aramco organization that may not be the actual proponent of a contract, but uses the services made available by a contract (e.g. for supplemental manpower recruitment or through a release purchase order).
- Contractor:** An entity that signs an agreement with Saudi Aramco to perform work and/or provide manpower, goods, or other services.
- Contractor workforce:** Employees working for contractor companies on Saudi Aramco contracts, including supplemental manpower, services and construction contracts, and vendors and suppliers.

### 3.0 RESPONSIBILITIES OF CORPORATE CONTRACTORS SAUDIZATION (CCS)

- 3.1 Create alignment of thought and practice among business line heads, admin area heads, and departmental managers in the area of Contractor Saudization.
- 3.2 Update the Contractor Saudization Master Plan and communicate it to all Admin Areas to ensure that all Proponents receive a concise and consistent message.
- 3.3 Work pro-actively with stakeholders to champion, promote, and facilitate Contractor Saudization.
- 3.4 Conduct forums, presentations, workshops, and face-to-face communication with stakeholders.
- 3.5 Cooperate with Proponents to develop their long-term Contractor Saudization plans.
- 3.6 Partner with Proponents and their contractors to provide needed advice, assistance and share best practices to enable the contractors to meet corporate Saudization targets.
- 3.7 Provide HR Guidelines to assist contractors in developing their own HR policies and procedures appropriate to recruiting, developing, and retaining a Saudi workforce.
- 3.8 Help resolve any issues that hinder contractors' efforts to Saudize their workforce.
- 3.9 Monitor and report on the corporate progress in Contractor Saudization.

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### 4.0 GUIDELINES AND METHODS FOR PROPONENTS AND END-USERS

For service contracts and construction contracts, Proponents are in the best position to plan, implement, enforce, track, and report Saudization of their contractors' workforce. End-users of these contracts (when different from the proponents) should also encourage and promote Contractors Saudization in communication with proponents and CCS.

For supplemental manpower, Proponents should implement any existing procedures to encourage Saudization, and End-users (when different) should help by selecting qualified Saudis for jobs, and by tracking and reporting Saudization.

For purchase agreements, the Materials Supply Organization is responsible for promoting Saudization of the vendors and suppliers workforces.

#### 4.1 General

- 4.1.1 Communicate with contractors on Saudization issues and advise them of the importance of meeting Saudi Aramco contractual requirements at present and in the future. It is recommended that meetings with contractors for this purpose be held quarterly at a minimum.
- 4.1.2 Cooperate with each contractor and Corporate Contractors Saudization (CCS) to advise on the development of the contractor's long-term Saudization plan.
- 4.1.3 Encourage contractors to increase the share of Saudis in their professional, technical, and non-technical workforce in line with corporate targets.
- 4.1.4 Collaborate with contractors and CCS to resolve any issues that may hinder Saudization of their workforce.

#### 4.2 Contracts

- 4.2.1 Consider extending and/or consolidating contracts when feasible and consistent with procurement policies and procedures in order to give the contractor an enhanced business case to invest in Saudization.
- 4.2.2 Change non-scheduled services to scheduled services and specify minimum work guarantees when feasible in order to apply assertive Saudization provisions.
- 4.2.3 Include Contractor Saudization planning in outsourcing and divestment initiatives.

#### 4.3 Human Resources Management

- 4.3.1 Encourage contractors to have HR policies and systems appropriate to the recruitment, development and retention of a Saudi workforce, including job ladders, career planning, salary structures, and other employee benefits.
- 4.3.2 Identify and recommend changes when feasible in work practices and schedules required to attract and retain a Saudi workforce.
- 4.3.3 Encourage contractors to use the services of a "recruitment body" such as the Chamber of Commerce or universities throughout the Kingdom. These bodies will organize and provide facilities to conduct career days where eligible candidates can gather to meet with contractors for selection, sponsorship for training, and eventual hiring upon successful completion of training programs.

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## 4.4 Human Resources Development

- 4.4.1 Assist contractors to assess the number of candidates needed by the Contractors by job family and the training required over a specified period.
- 4.4.2 Advise contractors that training of current employees and new hires may be conducted through Saudi Aramco's Contractor Training Center, the National System for Joint Training (see Paragraph 4.4.3), private sector establishments, or in-house by the contractor. The contractor must first ensure that training providers are accredited and meet Saudi Aramco job certification standards.
- 4.4.3 Advise contractors that the National System for Joint Training (NSJT) acts as a "training facilitator." NSJT coordinates training programs for the private sector in the Government's vocational and technical training colleges. Further information is available at [www.nsjt.org.sa](http://www.nsjt.org.sa).
- 4.4.4 Advise contractors that financial support for the training and on-the-job development of new hires by private sector companies, for a maximum of three years, is available through the HR Development Fund. Further information is available at [www.hrdf.org.sa](http://www.hrdf.org.sa).

## 4.5 Tracking and Reporting

- 4.5.3 Request contractors to report monthly on the status of hiring contractor employees.
- 4.5.4 Report relevant Saudization data to CCS on a regular basis.

### Recommendation:

\_\_\_\_\_  
General Manager, Training & Career Development

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Date

### Approval:

\_\_\_\_\_  
Vice President, Employee Relations & Training

\_\_\_\_\_  
Date

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**Concurrence:**

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Senior Vice President, Industrial Relations

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Date

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Senior Vice President, Exploration & Producing

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Date

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Senior Vice President, Refining, Marketing & International

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Date

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Senior Vice President, Gas Operations

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Senior Vice President, Engineering & Operations Services

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Senior Vice President, Finance

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Vice President, Information Technology

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Date

\* CHANGE

\*\* ADDITION

NEW INSTRUCTION ☒

COMPLETE REVISION ☐