

## DEFENCE COMPANIES INDEX (DCI) ON ANTI-CORRUPTION AND CORPORATE TRANSPARENCY 2020

### FINAL ASSESSMENT

#### ABU DHABI SHIP BUILDING PJSC (ADSB)

The following pages contain the detailed scoring for this company based on publicly available information.

The table below shows a summary of the company's scores per section:

Section	Number of Questions*	Score Based on Publicly Available Information
1. Leadership and Organisational Culture	4	0/8
2. Internal Controls	6	0/12
3. Support to Employees	7	0/14
4. Conflict of Interest	4	0/8
5. Customer Engagement	7	0/14
6. Supply Chain Management	5	0/10
7. Agents, Intermediaries and Joint Ventures	10	0/20
8. Offsets	4	0/8
9. High Risk Markets	4	2/8
10. State-Owned Enterprises	5	1/10
<b>TOTAL</b>		<b>3 / 112</b>
<b>BAND</b>		<b>F</b>

\*This column represents the number of questions on which the company was eligible to receive a score; i.e. where the company did not receive a score of N/A.

## 1. Leadership and Organisational Culture

<b>Question</b>
1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company makes a public commitment to ethical or anti-bribery and corruption standards.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<p>1.2. Does the company have a comprehensive anti-bribery and corruption policy that explicitly applies to both of the following categories:</p> <ul style="list-style-type: none"> <li>a) All employees, including staff and leadership of subsidiaries and other controlled entities;</li> <li>b) All board members, including non-executive directors.</li> </ul>
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company publishes an anti-bribery and corruption or ethics and compliance policy.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>1.3. Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company has a designated board committee or individual board member responsible for its anti-bribery and corruption programme.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>1.4. Is responsibility for implementing and managing the company’s anti-bribery and corruption programme ultimately assigned to a senior executive, and does he or she have a direct reporting line to the board or board committee providing oversight of the company’s programme?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that a specific managerial-level employee has ultimate responsibility for implementing and managing the company’s anti-bribery and corruption programme.
<b>Evidence</b>
No evidence found.

## 2. Internal Controls

<b>Question</b>
2.1. Is the design and implementation of the anti-bribery and corruption programme tailored to the company based on an assessment of the corruption and bribery risks it faces?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company has a formal risk assessment procedure that is used to inform the company's anti-bribery and corruption programme.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>2.2. Is the company’s anti-bribery and corruption programme subject to regular internal or external audit, and are policies and procedures updated according to audit recommendations?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company’s anti-bribery and corruption programme is subject to audit or review.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>2.3. Does the company have a system for tracking, investigating and responding to bribery and corruption allegations or incidents, including those reported through whistleblowing channels?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company has a publicly stated procedure for dealing with bribery and corruption allegations, incidents or whistleblowing reports.
<b>Evidence</b>
No evidence found.



<b>Question</b>
2.4. Does the company have appropriate arrangements in place to ensure the quality of investigations?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company assures itself of the quality of its internal investigations.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>2.5. Does the company's investigative procedure include a commitment to report material findings of bribery and corruption to the board and any criminal conduct to the relevant authorities?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company has an investigative procedure that includes a commitment to report material findings to the board or relevant authorities.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>2.6. Does the company publish high-level results from incident investigations and disciplinary actions against its employees?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publishes any data on ethical or bribery and corruption investigations or disciplinary actions involving its employees.
<b>Evidence</b>
No evidence found.

### 3. Support to Employees

<b>Question</b>
3.1. Does the company provide training on its anti-bribery and corruption programme to all employees across all divisions and geographies, and in all appropriate languages?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company provides anti-bribery and corruption training to its employees.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<p><b>3.2. Does the company provide tailored training on its anti-bribery and corruption programme for at least the following categories of employees:</b></p> <ul style="list-style-type: none"> <li>a) Employees in high risk positions,</li> <li>b) Middle management,</li> <li>c) Board members.</li> </ul>
<b>Score</b>
0
<b>Comments</b>
<p>There is no evidence that the company provides tailored anti-bribery and corruption training for employees based on an assessment of their role and exposure to corruption risk.</p>
<b>Evidence</b>
<p>No evidence found.</p>

<b>Question</b>
<b>3.3. Does the company measure and review the effectiveness of its anti-bribery and corruption communications and training programme?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company measures or reviews the efficacy of an anti-bribery and corruption communications or training programme.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>3.4. Does the company ensure that its employee incentive schemes are designed in such a way that they promote ethical behaviour and discourage corrupt practices?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company's incentive schemes incorporate ethical or anti-bribery and corruption principles.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>3.5. Does the company commit to and assure itself that it will support and protect employees who refuse to act unethically, even when it might result in a loss of business?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company commits to support or protect employees who refuse to act unethically.
<b>Evidence</b>
No evidence found.



<b>Question</b>
<b>3.6. Does the company have a clear policy of non-retaliation against whistleblowers and employees who report bribery and corruption incidents?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no publicly available evidence that the company has a policy of non-retaliation against whistleblowers or employees who report bribery and corruption incidents.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>3.7. Does the company provide multiple whistleblowing and advice channels for use by all (e.g. employees and external parties), and do they allow for confidential and, wherever possible, anonymous reporting?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company provides either whistleblowing or advice channels for its employees to ask questions and raise concerns about suspected bribery or corruption.
<b>Evidence</b>
No evidence found.

## 4. Conflict of Interest

<b>Question</b>
4.1. Does the company have a policy defining conflicts of interest – actual, potential and perceived – that applies to all employees and board members?
<b>Score</b>
0
<b>Comments</b>
There is no publicly available evidence that the company has a policy on conflicts of interest.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>4.2. Are there procedures in place to identify, declare and manage conflicts of interest, which are overseen by a body or individual ultimately accountable for the appropriate management and handling of conflict of interest cases?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no publicly available evidence that the company has procedures in place to manage conflicts of interest or their oversight.
<b>Evidence</b>
No evidence found.

<b>Question</b>
4.3. Does the company have a policy and procedure regulating the appointment of directors, employees or consultants from the public sector?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company has a policy regulating the employment of current or former public officials.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>4.4. Does the company report details of the contracted services of serving politicians to the company?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company reports details of the contracted services of serving politicians.
<b>Evidence</b>
No evidence found.

## 5. Customer Engagement

### 5.1 Contributions, Donations and Sponsorships

<b>Question</b>
5.1.1. Does the company have a clearly defined policy and/or procedure covering political contributions?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company has a policy on corporate political contributions.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>5.1.2. Does the company publish details of all political contributions made by the company and its subsidiaries, or a statement that it has made no such contribution?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publishes any details of its political contributions.
<b>Evidence</b>
No evidence found.



<b>Question</b>
<b>5.1.3. Does the company have a clearly defined policy and/or procedure covering charitable donations and sponsorships, whether made directly or indirectly, and does it publish details of all such donations made by the company and its subsidiaries?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company has a policy or procedure covering charitable donations and sponsorships.
<b>Evidence</b>
No evidence found.

## 5.2 Lobbying

<b>Question</b>
5.2.1 Does the company have a policy and/or procedure covering responsible lobbying?
<b>Score</b>
0
<b>Comments</b>
There is no publicly available evidence that the company has a policy or procedure on lobbying.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>5.2.2 Does the company publish details of the aims and topics of its public policy development and lobbying activities it carries out?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publishes any information on its lobbying aims, topics or activities.
<b>Evidence</b>
No evidence found.

<b>Question</b>
5.2.3 Does the company publish full details of its global lobbying expenditure?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company publishes any details about its global lobbying expenditure.
<b>Evidence</b>
No evidence found.

### 5.3 Gifts and Hospitality

<b>Question</b>
5.3.1 Does the company have a policy and/or procedure on gifts and hospitality to ensure they are bona fide to prevent undue influence or other corruption?
<b>Score</b>
0
<b>Comments</b>
There is no publicly available evidence that the company has a policy or procedure on gifts or hospitality.
<b>Evidence</b>
No evidence found.

## 6. Supply Chain Management

<b>Question</b>
6.1. Does the company require the involvement of its procurement department in the establishment of new supplier relationships and in the oversight of its supplier base?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company requires the involvement of its procurement department in the establishment and/or oversight of its supplier base.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>6.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company conducts anti-bribery and corruption due diligence on its supply chain.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>6.3 Does the company require all of its suppliers to have adequate standards of anti-bribery and corruption policies and procedures in place?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company ensures that its suppliers have anti-bribery and corruption policies in place that meet a high standard.
<b>Evidence</b>
No evidence found.



<b>Question</b>
<b>6.4 Does the company ensure that its suppliers require all their sub-contractors to have anti-corruption programmes in place that at a minimum adhere to the standards established by the main contractor?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company takes steps to ensure that the substance of its anti-bribery and corruption programme and standards are required throughout the supply chain.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>6.5 Does the company publish high-level results from ethical incident investigations and disciplinary actions against suppliers?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publishes any data on ethical or anti-bribery and corruption investigations relating to its suppliers, or the associated disciplinary actions.
<b>Evidence</b>
No evidence found.

## 7. Agents, Intermediaries and Joint Ventures

### 7.1 Agents and Intermediaries

<b>Question</b>
7.1.1 Does the company have a clear policy on the use of agents?
<b>Score</b>
0
<b>Comments</b>
There is no publicly available evidence that the company has a policy covering the use of agents.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>7.1.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging its agents and intermediaries?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company conducts anti-bribery and corruption due diligence on its agents or intermediaries.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>7.1.3 Does the company aim to establish the ultimate beneficial ownership of its agents and intermediaries?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company aims to establish the beneficial ownership of its agents.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>7.1.4 Does the company’s anti-bribery and corruption policy apply to all agents and intermediaries acting for or on behalf of the company, and does it require anti-bribery and corruption clauses in its contracts with these entities?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company includes anti-bribery and corruption clauses in its contracts with agents and intermediaries.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>7.1.5 Does the company ensure that its incentive schemes for agents are designed in such a way that they promote ethical behaviour and discourage corrupt practices?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company's incentive structures for agents are designed to minimise risks of bribery and corruption or that incentive structures are recognised as a risk factor in agent behaviour.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>7.1.6 Does the company publish details of all agents currently contracted to act with and on behalf of the company?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publishes any details of the agents currently contracted to act for and/or on its behalf.
<b>Evidence</b>
No evidence found.



<b>Question</b>
<b>7.1.7 Does the company publish high-level results from incident investigations and sanctions applied against agents?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publishes any data on ethical or bribery and corruption-related investigations, incidents or the associated disciplinary actions involving agents.
<b>Evidence</b>
No evidence found.

## 7.2 Joint Ventures

<b>Question</b>
7.2.1 Does the company conduct risk-based anti-bribery and corruption due diligence when entering into and operating as part of joint ventures?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company conducts anti-bribery and corruption due diligence on its joint ventures.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>7.2.2 Does the company commit to incorporating anti-bribery and corruption policies and procedures in all of its joint venture partnerships, and does it require anti-bribery and corruption clauses in its contracts with joint venture partners?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company commits to establishing or implementing anti-bribery and corruption policies or procedures in its joint ventures.
<b>Evidence</b>
No evidence found.

<b>Question</b>
7.2.3 Does the company commit to take an active role in preventing bribery and corruption in all of its joint ventures?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company commits to take an active role in preventing bribery and corruption in its joint ventures.
<b>Evidence</b>
No evidence found.

## 8. Offsets

<b>Question</b>
<b>8.1 Does the company explicitly address the corruption risks associated with offset contracting, and is a dedicated body, department or team responsible for oversight of the company's offset activities?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company addresses the corruption risks associated with offset contracting, nor is there evidence that a dedicated body, department or team is responsible for monitoring the company's offset activities.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>8.2 Does the company conduct risk-based anti-bribery and corruption due diligence on all aspects of its offset obligations, which includes an assessment of the legitimate business rationale for the investment?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company conducts anti-bribery and corruption due diligence on its offset obligations.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>8.3 Does the company publish details of all offset agents and brokers currently contracted to act with and/or on behalf of the company?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publishes any details of the offset agents, brokers or consultancy firms currently contracted to act with and on behalf of its offset programme.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>8.4 Does the company publish details about the beneficiaries of its indirect offset projects?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publishes any details of its offset obligations and/or contracts.
<b>Evidence</b>
No evidence found.



## 9. High Risk Markets

<b>Question</b>
9.1 Does the company have enhanced risk management procedures in place for the supply of goods or services to markets or customers in countries identified as at a high risk of corruption?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company acknowledges the corruption risks of operating in different markets, nor that risk assessment procedures are used to inform the company's operations in high risk markets.
<b>Evidence</b>
No evidence found.

Question																																							
<b>9.2 Does the company disclose details of all of its fully consolidated subsidiaries and non-fully consolidated holdings (associates, joint ventures and other related entities)?</b>																																							
Score																																							
1																																							
Comments																																							
<p>The company publishes a list of its subsidiaries in its 2018 Annual Report, which includes information on the percentages owned by the company and the country of incorporation of each subsidiary. However, the company receives a score of '1' because this list does not indicate the countries of operation for each entity.</p>																																							
Evidence																																							
<p><b>[6] Annual Report 2018</b>            Accessed 30/08/2019  <a href="http://www.adsb.ae/wp-content/uploads/2019/04/Annual-Report-2018_ENG--final.pdf">http://www.adsb.ae/wp-content/uploads/2019/04/Annual-Report-2018_ENG--final.pdf</a>            [p.44]</p>																																							
<table border="1"> <thead> <tr> <th>Name of subsidiary</th> <th>Ownership interest</th> <th>Beneficial interest</th> <th>Country of incorporation</th> <th>Principal activity</th> </tr> </thead> <tbody> <tr> <td>Abu Dhabi Systems Integration LLC ("ADSI") (i)</td> <td>100%</td> <td>100%</td> <td>UAE</td> <td>Import and commissioning of integrated electronic systems and computer programs</td> </tr> <tr> <td>Gulf Logistics and Naval Support LLC ("GLNS")</td> <td>100%</td> <td>100%</td> <td>UAE</td> <td>Provision of naval support services</td> </tr> <tr> <td>Safwa Marine L.L.C.</td> <td>100%</td> <td>100%</td> <td>UAE</td> <td>Trading of ships and boats</td> </tr> <tr> <td>ADSB Investments Limited</td> <td>100%</td> <td>100%</td> <td>UAE</td> <td>Holding of investments</td> </tr> <tr> <td>Frontiers Industrial Investment LLC (ii)</td> <td>99%</td> <td>99%</td> <td>UAE</td> <td>System integration and technology development and implementation</td> </tr> <tr> <td>High Speed Craft Company LLC (iii)</td> <td>100%</td> <td>100%</td> <td>UAE</td> <td>Marine machine and equipment repairing and maintenance</td> </tr> </tbody> </table>					Name of subsidiary	Ownership interest	Beneficial interest	Country of incorporation	Principal activity	Abu Dhabi Systems Integration LLC ("ADSI") (i)	100%	100%	UAE	Import and commissioning of integrated electronic systems and computer programs	Gulf Logistics and Naval Support LLC ("GLNS")	100%	100%	UAE	Provision of naval support services	Safwa Marine L.L.C.	100%	100%	UAE	Trading of ships and boats	ADSB Investments Limited	100%	100%	UAE	Holding of investments	Frontiers Industrial Investment LLC (ii)	99%	99%	UAE	System integration and technology development and implementation	High Speed Craft Company LLC (iii)	100%	100%	UAE	Marine machine and equipment repairing and maintenance
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<p>i. On 14 November 2017, the Company acquired an additional 43% interest in ADSI.            ii. Frontiers was established on 15 May 2014 with 99% of the capital being owned by the Company and remaining 1% by Abu Dhabi Autonomous Systems Investments Co. LLC.            iii. On 25 December 2017, the Company acquired shares of High Speed Craft Company LLC.</p>																																							
<p>Group has not invested or acquired shares during the financial year ended 31 December 2018.</p>																																							

<b>Question</b>
<b>9.3 Does the company disclose its beneficial ownership and control structure?</b>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>The company discloses some information on the entities with significant holdings in the company, indicating that it is a public joint stock company with a small proportion of shares held by the Government of Abu Dhabi. The company receives a score of '1' because this information is disclosed on the company's website and not on a freely accessible central public register or in open data format. The company also states that 50% of shares are held by individuals, but does not indicate or disclose whether any individual within this owns more than 25% of shares or voting rights.</p>
<b>Evidence</b>
<p><b>[1] Shareholders (webpage)</b>                  Accessed 30/08/2019  <a href="http://www.adsb.ae/the-company/investors-information/shareholders/">http://www.adsb.ae/the-company/investors-information/shareholders/</a>                  Abu Dhabi Ship Building (ADSB) is a United Arab Emirates listed Public Joint Stock Company. Emirates Defense Industries Company owns 40% of the ADSB's shares, with 10% held by the Government of Abu Dhabi and the remaining 50% held by individuals.</p> <p><b>[5] Financial information reports (webpage)</b>                  Accessed 30/08/2019  <a href="http://www.adsb.ae/wp-content/uploads/2019/04/Annual-Report-2018_ENG--final.pdf">http://www.adsb.ae/wp-content/uploads/2019/04/Annual-Report-2018_ENG--final.pdf</a>                  Abu Dhabi Ship Building (ADSB) is a United Arab Emirates listed Public Joint Stock Company. Emirates Defense Industries Company owns 40% of the ADSB's shares, with 10% held by the Government of Abu Dhabi and the remaining 50% held by individuals.</p> <p>The company was founded in 1995 through cooperation between the Government of Abu Dhabi and Newport News Shipbuilding (NNS), the largest shipbuilder in the United States. At that time, NNS was also a major investor, having purchased 40% of the shares of the company. However, the UAE Government bought back 10% from NNS in 2001 and the other 30% in 2002.</p> <p>ADSB started as a pre-Offset venture, but both the Government and NNS later agreed to develop the business as a stand-alone public joint stock company. This was a groundbreaking achievement for the industrial sector of the UAE economy.</p>

<b>Question</b>
<b>9.4 Does the company publish a percentage breakdown of its defence sales by customer?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
<p>There is some evidence that the company's primary defence customers are the United Arab Emirates (UAE) Armed Forces and Navy. The company's Annual Report also indicates that it has contracts with the governments of Kuwait and Saudi Arabia. However, the company receives a score of '0' because it does not provide this information in sufficient detail to indicate the percentage breakdown for its major its defence customers.</p>
<b>Evidence</b>
<p><b>[6] Annual Report 2018</b>  Accessed 30/08/2019  <a href="http://www.adsb.ae/wp-content/uploads/2019/04/Annual-Report-2018_ENG--final.pdf">http://www.adsb.ae/wp-content/uploads/2019/04/Annual-Report-2018_ENG--final.pdf</a></p> <p>[p.7] ADSB is grateful to the General Headquarters of the Armed Forces of the UAE, UAE Navy, Critical Infrastructure and Coastal Protection Authority, Presidential Guards, ADNOC Logistics and all of our customers and partners for their continued support and business.</p> <p>[p.10] The Management continues to pursue a marketing plan to identify market opportunities in the UAE and the region to increase revenue and profitability. As a result, the Group has successfully landed a major project in 2018. In addition, negotiations with key customers in the UAE, Kingdom of Saudi Arabia and Kuwait are in advance stages for various ship build and refit projects which shall materially contribute to future results of the Group.</p> <p>[...] The Group will continue to offer these services for local, regional and international clients. Being the strategic partner of the UAE Navy, The Group will always prioritize fulfilling capability and support requirements of the UAE Navy.</p> <p>[p.11] 1. Ship Build</p> <p>Baynunah program delivery constituted a major delivery of a flagship program with a very material stature. The program scope of work included the design, construction, testing and commissioning of six state of the art 72-meter corvettes for the UAE Navy. During the year 2018, ADSB continued to provide logistic support, software upgrades, class improvements and fulfillment of warranty commitments under the contract.</p> <p><b>Arialah Program</b>  In this signed contract in December 2013 with GHQ Armed Forces, ADSB has supplied two highly complex 67-meter Offshore Patrol Vessels (OPVs) to the Critical Infrastructure and Coastal Protection Authority (CICPA). Post-delivery of the second vessel, Hmeem, in the first quarter of 2018, warranty works are currently ongoing.</p> <p><b>Kuwait Landing Craft</b>  ADSB successfully completed the delivery of the Kuwait Landing Craft program which comprised the construction, testing and commissioning of two 64-meter Landing Crafts, one 42-meter Landing Craft and five 16-meter Sea Keepers to the Kuwait Navy. Post-delivery of all vessels in 2017, warranty works are currently ongoing.</p> <p><b>8.5-Meter Special Mission Boats</b>  One of the most recent developments of ADSB was the award in November 2018 of a contract by Kingdom of Saudi Arabia maritime authorities to ADSB to construct 20 units of 8.5-meter Special Mission Boats. This is one of the latest milestones achieved by ADSB as a result of constant research and development of new designs, new technologies and partnerships with design houses which shall enhance ADSB's footprint in the maritime industry.</p> <p>[p.12] 2. Combat System Integration (CSI)</p> <p>In the year 2018, ADSB initiated a transition to revamp its CSI operations by managing all its CSI services that were under its subsidiary, Frontiers Industrial Investment LLC into ADSB.</p> <p>During the year, this segment provided preventive and corrective maintenance services to the UAE Navy under the Follow On Support contract entered into with the UAE Naval Logistics Centre (NLC). Moreover, CSI segment</p>

effectively and systematically provided technical expertise on existing ADSB ship-build programs, for all matters related to complex military electronic systems. [...]

[p.12] 3. Services





**Marine Support Services (MSS)**

In 2018, ADSB achieved material progress in the performance of capability management under the MSS Contract. The company established a Fleet Coordination Center (FCC) for the UAE Navy to facilitate services rendered to them including the introduction of Tadbeer Data Analytics for facilitating efficient maintenance management of UAE Navy fleet.

## 10. State-Owned Enterprises (SOEs)

<b>Question</b>
<b>10.1 Does the SOE publish a breakdown of its shareholder voting rights?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
<p>There is no evidence that the company publishes details of its shareholder voting rights. The company publishes information about its significant shareholders – which includes the Government of Abu Dhabi – but does not provide any accompanying details to indicate the percentage voting rights held by each individual or entity.</p>
<b>Evidence</b>
<p><b>[1] Shareholders (webpage)</b>  Accessed 30/08/2019  <a href="http://www.adsb.ae/the-company/investors-information/shareholders/">http://www.adsb.ae/the-company/investors-information/shareholders/</a>  Abu Dhabi Ship Building (ADSB) is a United Arab Emirates listed Public Joint Stock Company. Emirates Defense Industries Company owns 40% of the ADSB's shares, with 10% held by the Government of Abu Dhabi and the remaining 50% held by individuals.</p> <p><b>[5] Financial information reports (webpage)</b>  Accessed 30/08/2019  <a href="http://www.adsb.ae/wp-content/uploads/2019/04/Annuual-Report-2018_ENG-_-final.pdf">http://www.adsb.ae/wp-content/uploads/2019/04/Annuual-Report-2018_ENG-_-final.pdf</a>  Abu Dhabi Ship Building (ADSB) is a United Arab Emirates listed Public Joint Stock Company. Emirates Defense Industries Company owns 40% of the ADSB's shares, with 10% held by the Government of Abu Dhabi and the remaining 50% held by individuals.</p> <p>The company was founded in 1995 through cooperation between the Government of Abu Dhabi and Newport News Shipbuilding (NNS), the largest shipbuilder in the United States. At that time, NNS was also a major investor, having purchased 40% of the shares of the company. However, the UAE Government bought back 10% from NNS in 2001 and the other 30% in 2002.</p> <p>ADSB started as a pre-Offset venture, but both the Government and NNS later agreed to develop the business as a stand-alone public joint stock company. This was a groundbreaking achievement for the industrial sector of the UAE economy.</p>

<b>Question</b>
<b>10.2 Are the SOE's commercial and public policy objectives publicly available?</b>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>The company publishes some information about its objectives to serve and grow its customer base, noting that its main priority is to support the United Arab Emirates (UAE) Navy. However, the company receives a score of '1' because its objectives beyond that are unclear and there is no evidence that these objectives are updated on at least an annual basis.</p>
<b>Evidence</b>
<p><b>[4] Mission and vision (webpage)</b>                  Accessed 30/08/2019  <a href="http://www.adsb.ae/the-company/mission-and-vision/">http://www.adsb.ae/the-company/mission-and-vision/</a>                  Our vision</p> <p>At Abu Dhabi Ship Building, we strive to become the leading regional shipyard that drives innovation, delivers dependable solutions and builds lasting relationships that brings real value to our clients and stakeholders.</p> <p>Our mission</p> <p>Through our state-of-the art facilities, innovative new technologies and technical workforce, we are committed to go beyond shipbuilding.</p> <p>We work towards offering our growing portfolio of customers the full spectrum of new building, repair and conversion services for military and commercial vessels, including Marine Services to the GCC's naval fleet and a tailored service offering to the oil and gas industry.</p> <p><b>[6] Annual Report 2018 (Document)</b>                  Accessed 30/08/2019  <a href="http://www.adsb.ae/wp-content/uploads/2019/04/Annual-Report-2018_ENG--final.pdf">http://www.adsb.ae/wp-content/uploads/2019/04/Annual-Report-2018_ENG--final.pdf</a>                  [p.10] The Group recorded a consolidated net loss of AED (125.1) million after gain on foreign exchange of AED 4.6 million for the year ended 31 December 2018 as compared to a consolidated net profit of AED 104.8 million after gain on foreign exchange of AED 15.9 million for the year ended 31 December 2017.</p> <p>The Management continues to pursue a marketing plan to identify market opportunities in the UAE and the region to increase revenue and profitability. As a result, the Group has successfully landed a major project in 2018. In addition, negotiations with key customers in the UAE, Kingdom of Saudi Arabia and Kuwait are in advance stages for various ship build and refit projects which shall materially contribute to future results of the Group.</p> <p>Towards the end of 2018, the Company has initiated a process of end-to-end transformation and a review of its strategy, process re-engineering, costing and pricing methodology. As a result of this, at the beginning of 2019, the Board approved a refreshed strategy to strengthen shareholders value in the medium to long-term by focusing on building capability in mission-critical and value-add areas of the shipbuilding value chain. Through partnering, automation, and investment in people, the Company's objective is: to become an acknowledged center of excellence for consulting, contracting, delivering and sustaining naval ships throughout their useful life. The Group will continue to offer these services for local, regional and international clients. Being the strategic partner of the UAE Navy, The Group will always prioritize fulfilling capability and support requirements of the UAE Navy.</p> <p>ADSB shall drive efficiency through various means including restructuring, centralizing of value-accretive activities and reorganization of operational businesses to better align with the Company's value chain components. These components shall help the Company to focus on Building, Integrating and Sustaining shipbuilding programs. Going forward, ADSB will deliver on various savings opportunities via adopting efficient organization model at both operational and support levels, eliminating redundancies and re-engineering key business processes.</p>

<b>Question</b>
<b>10.3 Is the SOE open and transparent about the composition of its board and its nomination and appointment process?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
The company publishes some information about its board of directors on its website, including the name and position of each individual. However, the company receives a score of '0' because it does not provide any further information about each board member, such as whether they are financial beneficiary, an executive, a state representative, or an independent director. There is also no evidence that the company makes any information on the board nomination or appointment process publicly available.
<b>Evidence</b>
<p><b>[3] Board of directors (webpage)</b>                  Accessed 30/08/2019  <a href="http://www.adsb.ae/the-company/about-abu-dhabi-ship-building-2/">http://www.adsb.ae/the-company/about-abu-dhabi-ship-building-2/</a></p>
 <p><b>OMAR ABDULLAH AL FARESI</b>                  CHAIRMAN</p>
 <p><b>ALI HUTHAILI AL MANSOURI</b>                  BOARD MEMBER &amp; MEMBER OF                  NOMINATION &amp; REMUNERATION                  COMMITTEE</p>
 <p><b>FAHAD MOHAMMED AL MUHAIRI</b>                  BOARD MEMBER &amp; CHAIRMAN                  OF COMMITTEE</p>
 <p><b>HAMAD ABDULLAH AL-QAYDI</b>                  BOARD MEMBER &amp; MEMBER                  OF AUDIT COMMITTEE &amp;                  NOMINATION                  &amp; REMUNERATION COMMITTEE</p>





**HASHIM ALI AL AIDAROOS**

BOARD MEMBER



**MANSOUR SHAMS AL KHOORI**

BOARD MEMBER & MEMBER  
OF COMMITTEE



**MOHAMMED ABDULLAH AL  
SHERAIFI**

BOARD MEMBER & MEMBER  
OF NOMINATION & REMUNERATION  
COMMITTEE



**MATAR KHALFAN AL SHAMSI**




BOARD MEMBER & MANAGING  
DIRECTOR

**[6] Annual Report 2018**

Accessed 30/08/2019

<http://www.adsb.ae/the-company/about-abu-dhabi-ship-building-2/>

[p.8-9, same list of individuals with names and position as above]

<b>Question</b>
<b>10.4 Is the SOE’s audit committee composed of a majority of independent directors?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
The company publishes some information to indicate which of its board members form part of its Audit Committee, however there is no evidence to indicate which (if any) individuals are independent board members and therefore there is no evidence that the committee is composed of a majority of independent directors.
<b>Evidence</b>
<p><b>[6] Annual Report 2018</b>                  Accessed 30/08/2019  <a href="http://www.adsb.ae/the-company/about-abu-dhabi-ship-building-2/">http://www.adsb.ae/the-company/about-abu-dhabi-ship-building-2/</a>                  [p.9]</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p><b>FAHAD MOHAMMED AL MUHAIRI</b>                      BOARD MEMBER &amp; CHAIRMAN OF                      AUDIT COMMITTEE</p> </div> <div style="text-align: center;">  <p><b>HAMAD ABDULLAH AL-QAYDI</b>                      BOARD MEMBER &amp; MEMBER                      OF AUDIT COMMITTEE &amp; NOMINATION                      &amp; REMUNERATION COMMITTEE</p> </div> </div> <div style="margin-top: 20px; text-align: center;">  <p><b>MANSOUR SHAMS AL KHOORI</b>                      BOARD MEMBER &amp; MEMBER                      OF AUDIT COMMITTEE</p> </div>

<b>Question</b>
<b>10.5 Does the SOE have a system in place to assure itself that asset transactions follow a transparent process to ensure they accord to market value?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no publicly available evidence that the company has a system in place to manage asset transactions.
<b>Evidence</b>
No evidence found.

## List of Evidence & Sources

No	Type (Webpage or Document)	Name	Download Date	Link
01	Webpage	Shareholders	30/08/2019	<a href="http://www.adsb.ae/the-company/investors-information/shareholders/">http://www.adsb.ae/the-company/investors-information/shareholders/</a>
02	Webpage	About Abu Dhabi Shipbuilding	30/08/2019	<a href="http://www.adsb.ae/the-company/about-abu-dhabi-ship-building/">http://www.adsb.ae/the-company/about-abu-dhabi-ship-building/</a>
03	Webpage	Board of directors	30/08/2019	<a href="http://www.adsb.ae/the-company/about-abu-dhabi-ship-building-2/">http://www.adsb.ae/the-company/about-abu-dhabi-ship-building-2/</a>
04	Webpage	Mission and vision	30/08/2019	<a href="http://www.adsb.ae/the-company/mission-and-vision/">http://www.adsb.ae/the-company/mission-and-vision/</a>
05	Webpage	Financial information reports	30/08/2019	<a href="http://www.adsb.ae/wp-content/uploads/2019/04/Anuual-Report-2018_ENG--final.pdf">http://www.adsb.ae/wp-content/uploads/2019/04/Anuual-Report-2018_ENG--final.pdf</a>
06	Document	Annual Report 2018	30/08/2019	<a href="http://www.adsb.ae/wp-content/uploads/2019/04/Anuual-Report-2018_ENG--final.pdf">http://www.adsb.ae/wp-content/uploads/2019/04/Anuual-Report-2018_ENG--final.pdf</a>
07	Webpage	Open Ownership	30/08/2019	<a href="https://register.openownership.org/search?utf8=%E2%9C%93&amp;q=abu+dhabi+shipbuilding">https://register.openownership.org/search?utf8=%E2%9C%93&amp;q=abu+dhabi+shipbuilding</a>