



مجموعة الفردان
Alfardan Group

SUPPLIERS CODE OF CONDUCT

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SUPPLIERS CODE OF CONDUCT

1. INTRODUCTION

The Alfardan Group (its affiliates and subsidiaries) (together the “Alfardan Group”) endeavors to ensure that its business relationships are based upon a foundation of integrity and professionalism and reflect the values and principles that the Group promotes internally and externally. This Supplier Code of Conduct is based upon internationally accepted principles for ethical and legally compliant business practices aims to ensure compliance with local and international applicable laws and international labor standards.

2. SCOPE OF THE APPLICATION

The provisions of this Code set forth Alfardan Group’s expectations for all suppliers with whom it does business. The expectation of the Alfardan Group is that these principles apply to suppliers and their employees, parent, subsidiary or affiliate entities, and subcontractors.

Alfardan Group expects suppliers to ensure that this Code is communicated to their employees, parent, subsidiary and affiliated entities as well as any subcontractors, and that it is also done in the local language and in a manner that is understood by all. In order for a supplier to do business with the Group, the supplier is required to read and acknowledge that this Code provides the minimum standards expected of Alfardan Group’s suppliers. In addition, suppliers should note that the provisions of this Code will be binding on the supplier in the event the supplier is awarded a contract by the Group or any of its Business Units, pursuant to the terms and conditions of any such contract.

Failure to comply with any provisions may also preclude suppliers from being eligible for a contract award. Prospective suppliers are invited to review the specific terms and conditions of contract and procurement policies of Group in order to ascertain their current and future eligibility.

3. MINIMUM STANDARDS

This Suppliers Code of Conduct and its provisions provide the minimum standards expected of suppliers. It is an expectation of the Alfardan Group that its suppliers strive to exceed both international and industry best practices and encourage their own suppliers and sub-contractors to ensure they strive to meet such best practices as well.

4. MANAGEMENT, MONITORING AND EVALUATION

Suppliers of the Alfardan Group are, at a minimum, expected to have established clear goals toward meeting the standards set forth in this Suppliers Code of Conduct and implemented appropriate management systems and processes which are actively reviewed, monitored and modified, to ensure that their business operations are aligned with the principles set forth in this Code.

5. LABOR

Forced or Compulsory Labour: Alfardan Group expects its suppliers to prohibit forced or compulsory labor in all its forms.

Child Labor: Alfardan expects its suppliers not to employ: (a) children below 16 years of age or, if higher than that age, the minimum age of employment permitted by the law of the country or countries where the performance, in whole or in part, of a contract takes place, or the age of the end of compulsory schooling in that country or countries, whichever is higher; and (b) persons under the age of 18 for work that, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of such persons.

Freely chosen employment: Within our supply chain, Alfardan Group do not condone any form of servitude, forced labor, or human trafficking in any way, shape, or form. Forced labor, labor exploitation, and other forms of forced work are not acceptable either. Practices such as withholding personal property, passports, income, training certificates, work, or any other document for inappropriate reasons are not allowed. This includes any and all forms of documentation.

Discrimination: Alfardan Group expects its suppliers to ensure equality of opportunity and treatment in respect of employment and occupation without discrimination on grounds of race, colour, sex, religion, political opinion, national extraction or social origin and such other ground as may be recognized under the national law of the country or countries where the performance, in whole or in part, of a contract takes place.

Alfardan Group expects its suppliers to take all appropriate measures to ensure that neither themselves nor their parent, subsidiary, affiliate entities or their subcontractors are engaged in any gender-based or other discriminatory employment practices, including those relating to recruitment, promotion, training, remuneration and benefits.

Wages, Working Hours and Other Conditions of Work: It is expected that Alfardan Group suppliers agree to pay workers in a timely manner and to take care of workers' compensation and general 'well-being' (e.g. accommodation if applicable) in a fair and reasonable manner. Suppliers shall comply with applicable labor laws and regulations.

Deductions from wages are permitted only under conditions and to the extent prescribed by the applicable law, regulations or collective agreement, and suppliers should inform the workers concerned of such deductions at the time of each payment. The wages, hours of work and other conditions of work provided by suppliers should be not less favorable than the best conditions prevailing locally (i.e., as contained in: (i) collective agreements covering a substantial proportion of employers and workers; or (ii) applicable laws or regulations), for work of the same character performed in the trade or industry concerned in the area where work is carried out.

Health and Safety: Alfardan expects its suppliers to ensure, so far as is reasonably practicable, that: (a) the workplaces, machinery, equipment and processes under their control are safe and without risk to health; (b) the chemical, physical and biological substances and agents under their control are without risk to health when the appropriate measures of protection are taken; and (c) where necessary, adequate protective clothing and protective equipment are provided to prevent, so far as is reasonably practicable, risk of accidents or of adverse effects to health.

6. HUMAN RIGHTS

Alfardan Group expects its suppliers to support and respect the protection of internationally proclaimed human rights and to ensure that they are not complicit in human rights abuses.

Harassment, Harsh or Inhumane Treatment: Alfardan expects its suppliers to create and maintain an environment that treats all employees with dignity and respect, and that its suppliers, their parent, subsidiary and affiliated entities as well as any subcontractors, will neither use or engage in, nor allow their employees or other persons engaged by them to use or engage in, any: threats of violence, verbal or psychological harassment or abuse, and/or sexual exploitation and abuse. Sexual exploitation and abuse violate universally recognized international legal norms and standards and have always been unacceptable behavior and prohibited conduct for the Group.

The Group expects its suppliers to take all appropriate measures to prohibit their employees or other persons engaged by the suppliers, from engaging in sexual exploitation and abuse. Moreover, no harsh or

inhumane treatment coercion or corporal punishment of any kind is tolerated, nor is there to be the threat of any such treatment.

7. ENVIRONMENT

Environmental: Alfardan Group expects its suppliers to have an effective environmental policy and to comply with existing legislation and regulations regarding the protection of the environment. Suppliers should wherever possible support a precautionary approach to environmental matters, undertake initiatives to promote greater environmental responsibility and encourage the diffusion of environmentally friendly technologies implementing sound life-cycle practices.

Product Safety: It is the responsibility of the supplier to ensure that product(s) supplied meet all applicable safety standards, to correctly label the product(s), and to convey any necessary instructions for handling of the products/goods. In the event of a legitimate request, they must make available to the appropriate parties the appropriate documentation containing all necessary safety-relevant information for all hazardous substances. Product data sheets, confirmations of notification or registration, uses, and exposure scenarios all fall under this category. Manufacturers/suppliers of products are required to be open and forthcoming with information about their products' effects on human health and the natural environment.

Chemical and Hazardous Materials: Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal.

Wastewater and Solid Waste: Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be monitored, controlled and treated as required prior to discharge or disposal.

Air Emissions: Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge or disposal.

Minimize Waste, Maximize Recycling: Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials

8. ETHICAL CONDUCT

Corruption: Alfardan Group expects its suppliers to adhere to the highest standards of moral and ethical conduct, to respect local laws and not engage in any form of corrupt practices, including but not limited to extortion, fraud, or bribery.

Conflict of Interest: Alfardan Group suppliers are expected to disclose to the Group any situation that may appear as a conflict of interest, and disclose to the Group if any Group official or professional under contract with Alfardan Group may have an interest of any kind in the supplier's business or any kind of economic ties with the supplier.

Gifts and Hospitality: Alfardan Group has a “zero tolerance” policy and does not accept any type of gift or any offer of hospitality which may be in contravention and violation of its Anti-Bribery and Anti-Corruption Policy or any applicable local laws and regulations. The Group expects its suppliers not to offer any benefit such as free goods or services, employment or sales opportunity to a Group employee or representative in order to facilitate the suppliers' business with the Group.

Reporting of Concerns: It is the responsibility of the suppliers to ensure that their employees are not subjected to any form of intimidation, retaliation, or harassment in the event that they choose to voice concerns, complaints, or possibly illegal acts in the workplace. Any report ought to be handled in a discreet and confidential manner. The supplier is responsible for investigating such reports and taking corrective action, as required. Suppliers are required to inform Alfardan Group of any legal proceedings, administrative investigations, or prosecutions that may have an impact on their ability to conduct business with Alfardan Group or that may have the potential to have a negative impact, both on the reputation of the supplier and of Alfardan Group. If a supplier or one of its employees believes that an Alfardan Group employee has acted in a manner that is inconsistent with our values at any time, the supplier or employee is encouraged to express their concerns using the form at the end of this document.

Post employment restrictions: Post-employment restrictions may apply to Alfardan Group employees in service and former Alfardan Group employees who participated in the procurement process, costing, tendering, or those who are aware of trade secrets or project specific information if such persons had prior professional dealings with suppliers. Alfardan Group suppliers are expected to refrain from offering employment to any such person for a period of one year following separation from service.

Breaching this Code or its future amendments may give the right to Alfardan Group to terminate the contractual relationship between Alfardan Group and the supplier at the expense of the supplier and without any indemnification to the supplier.

Suppliers are liable for any reputational or other form of damage they may cause to Alfardan Group as a result of breaching this code of conduct or its future amendments.

Alfardan Group reserve the right to audit, investigate, ask for reports or written confirmations from suppliers to ensure compliance with this Code or its future amendments.

Suppliers should not engage in tax evasion activities and ensure they comply with all applicable tax regulations.

Fair Competition: The manner in which suppliers run their businesses will be in conformity with the principles of fair competition and will be in compliance with all antitrust laws that may be applicable.

Privacy and Intellectual Property: In addition to ensuring the privacy of all employees and business partners, as well as the protection of legal intellectual property rights, it is the responsibility of suppliers to keep sensitive information secure and to use it only when it is permissible to do so. Suppliers are not permitted to use Alfardan Group's name or marks, as well as those of our affiliates or goods, in any publicity or advertising without first receiving Alfardan Group's prior written approval.

Data Privacy and Data Protection: All of Alfardan Group's sensitive information and data stored on a supplier's information system must be adequately maintained and safeguarded from improper access, use, disclosure, alteration, or destruction. Personal information must be collected for appropriate business purposes only, used lawfully, transparently, and securely, disclosed only to those who have a need to know, safeguarded in accordance with security policies, kept for no longer than is necessary, and all third parties with access to such information must be bound to similar confidentiality obligations.

9. GOVERNANCE AND MANAGEMENT SYSTEM

Legal and other requirements: Alfardan Group requires all of its suppliers to be aware of and compliant with any and all local, national, and international laws and regulations, contractual agreements, and globally recognized standards that may be relevant to their business. In addition, suppliers are required to ensure that the procedures they

use in their businesses are in accordance with the generally recognized industry standards, to acquire, keep, and keep current any and all relevant permits, certificates, licenses, and registrations, and to conduct their operations in a manner that is consistent with the limitations and requirements of their permits at all times.

Systems, Documentations and Evaluations: The management systems and controls that are connected to the contents of this Supplier Code of Conduct must be developed, implemented, used, and maintained by the companies that supply Alfardan Group. The principles specified in this Code require that suppliers keep the documentation that is necessary to demonstrate that they adhere to those standards.

Risk Management: This Code of Conduct for suppliers requires that they put in place procedures that periodically recognize, assess, and manage risks in all of the areas covered by this Code, as well as with regard to all of the legislative obligations that may be applicable.

Transparency and Disclosure: The principles outlined in this Supplier Code of Conduct require that suppliers publicly report on their economic, social, and environmental effect. Alfardan Group's suppliers are strongly encouraged to comply with these reporting requirements.

Training and Competency: Alfardan Group's suppliers may design, execute, and maintain programs to ensure that their management and staff have a thorough grasp of the requirements of this Supplier Code of Conduct, as well as any other relevant laws, regulations, and industry standards.

Right to Evaluation: To ensure compliance with the principles outlined in this Suppliers Code of Conduct, suppliers agree to allow Alfardan Group to conduct performance reviews, with reasonable prior notice. The review, which may take the form of an assessment or audit, will be carried out either by Alfardan Group or a third-party expert chosen by the Group.

10. REPORTING

You can report a complaint or incident related to any Business Unit of Alfardan Group by filling an online form.

Alfardan Group takes your concerns seriously, however, we expect that this reporting mechanism shall not be misused to make any frivolous or unsubstantiated complaints and/or reports. To submit a complaint, please click on the relevant Business Unit below:

**Alfardan
Group**

**Alfardan
Jewellery**

**Alfardan
Exchange**

**Alfardan
Properties &
Hospitality**

**Alfardan
Automotive**

**Alfardan
Investment**

**Alfardan
Marine
Services**

**Alfardan
Medical**

**Alfardan
Agriculture /
Wahat Shafalahia
& Safwa**