



مجموعة عصام خيرى قباني
Isam Khairi Kabbani Group

Supplier Code of Ethics and Business Conduct Policy

Effective Date: January 2024



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1. Introduction

IKK Group is committed to the highest standards of ethics and integrity, and IKK Group and its subsidiaries expect all Suppliers engaged in providing products and services to have, or to make, a similar commitment. The IKK Supplier Code of Ethics and Business Conduct encompasses the guidelines that relate to the legal and ethical standards of conduct that Suppliers are expected to adhere to while performing their duties and responsibilities to IKK or one of its subsidiaries.

1.1 Purpose of this policy / Policy Objective

This policy aims to encourage Suppliers to focus on areas of ethical risk, provide guidance to recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and to foster a culture of honesty and accountability.

1.2 Policy Scope

This policy applies to all Suppliers, including but not limited to : vendors, manufacturers, contractors, sub-contractors, and any other service providers who are registered or willing to do business with IKK Group or its subsidiaries and are seeking to provide goods, services and personnel to IKK Group or its subsidiaries, or



that are currently parties to agreement for such purposes with IKK Group or its subsidiaries or one of its contractors.

2. Code Acknowledgement

Suppliers shall sign the attached acknowledgement form herein, affirming that the Supplier has received a copy of this Code, read, and understood this Code, and agreed to comply with this Code in the event of entering into any contractual agreement with IKK Group or its subsidiaries, such as:

- 2.1 Requests for proposals, invitations to bid, or other solicitation documents.
- 2.2 Purchase orders, Contracts/Agreements between IKK Group or its subsidiaries and the Supplier.

In case of any conflict between this Code and any IKK Group or its subsidiaries' applicable agreements, the terms of IKK Group or its subsidiaries' contracts/agreements shall prevail and IKK Group or its subsidiaries exert reasonable efforts as practically possible in good faith try to amend the conflicted terms with the other parties to IKK Group or its subsidiaries' contracts/agreements.

Neither the IKK Group or its subsidiaries' personnel, nor the supplier's personnel or representatives are authorized to propose or approve conduct inconsistency with this Code.

3. Compliance with Laws, Codes, and Regulations

IKK Group or its subsidiaries' Suppliers are obligated, in all their business-related activities, to comply with all applicable laws, codes, and regulations of the Kingdom of Saudi Arabia as set forth in the documents relevant to contracting or regulating its relationships with IKK Group or its subsidiaries. IKK Group and its subsidiaries' Suppliers will not pursue competitive advantages through illegal or unethical business practices.

4. Respecting Basic Human Rights

IKK Group and its subsidiaries' Suppliers must adhere to the Human Rights law of the Kingdom of Saudi Arabia, the country in which they are operating in and all other



applicable standards. IKK Group and its subsidiaries insist that the Suppliers adhere to these principles and develop their own approach to respecting human rights:

4.1 Discrimination and Diversity

Within the framework of the Saudi Arabian Law, Suppliers shall prohibit discrimination and shall not treat differently or less favorably any employee based on ethnic descent or national origin, race, color, gender, age, or disability. Suppliers should periodically review their employment and promotion practices to ensure fair treatment.

IKK Group and its subsidiaries' Suppliers shall recognize and value differences to deliver superior results. IKK Group and its subsidiaries expects its Suppliers to be committed to an inclusive work environment that recognizes the contributions of every individual and have opportunities to reach their full potential.

All Suppliers are responsible for providing an environment which is free from any form of harassment, victimization, and bullying.

4.2 Wages and Working Hours

IKK Group and its subsidiaries' Suppliers must follow all applicable laws regarding working hours, wages and overtime pay. Workers must be paid at least the minimum legal wage or wage that meets local industry standards.

Suppliers should conduct operations in ways that limit overtime to a level that ensures humane and productive working conditions. Suppliers must pay overtime and any incentive rates required to meet standards. Workers should receive the necessary time off, paid annual leave and holidays, as required by local laws.

4.3 Forced or Child Labor

Suppliers who undertake business with IKK Group or its subsidiaries must comply with all applicable child labor laws. Suppliers are prohibited from using any kind of involuntary labor. Suppliers must not engage in human trafficking and must not use any threats or forms of violence, or other forms of physical or mental abuse.



5. Environmental, Health, and Safety Practices

IKK Group and its subsidiaries expects its Suppliers to provide a safe and healthy workplace that complies with all applicable environmental, health and safety laws and regulations. It is the responsibility of the Supplier to ensure compliance with the required environmental, health and safety standards.

5.1 Health and Safety at Workplace

IKK Group and its subsidiaries' Suppliers must ensure that they have a safe and healthy working environment including appropriate controls, safety procedures, preventative maintenance, and appropriate protective equipment in compliance with all applicable laws and regulations. Suppliers should ensure that their employees are educated in health and safety issues, such as dealing with hazardous materials. Suppliers should establish and use an occupational health and safety management system according to OHSAS 18001, ISO 45001 or equivalent.

5.2 Protection of the Environment

IKK Group and its subsidiaries expects that its Suppliers will act in an environmentally responsible manner. As a minimum, Suppliers shall comply with applicable local and international environmental laws and regulations and have the ability to remediate any environmental problems they may cause.

All waste materials and production should be disposed of properly and in an environmentally responsible manner. The Supplier shall do his best endeavors to adopt an environmental management system that conforms to ISO 14001 or similar standard.

6. Ethical Business Practices

IKK Group and its subsidiaries' Suppliers are expected to always operate under the highest standards of integrity in all business interactions.

6.1 Business Integrity

IKK Group and its subsidiaries strictly prohibit all forms of bribery, corruption, extortion, embezzlement, and improper advantage. All IKK Group and its subsidiaries' Suppliers must comply with the applicable laws and policies that prohibit giving



anything of value to any person or entity where the purpose is to obtain an improper business advantage. This prohibition extends to first degree relatives (i.e., father, mother, spouse, and children) of both Suppliers and IKK Group and its subsidiaries' employees. Bribery can include money, transfer of anything of value, lavish entertainment, or travel expenses. IKK Group and its subsidiaries do not tolerate bribery in any form and is committed to conducting its business with integrity.

In addition, Supplier shall strictly adhere to all regulations and directions that fall under the authority of National Strategy for Protecting Integrity and Combating Corruption sponsored by the National Anti-Corruption Commission (Nazaha).

6.2 Fraud

IKK Group and its subsidiaries promote honesty and integrity; therefore, IKK Group and its subsidiaries have a zero-tolerance to fraudulent transactions. All Suppliers are expected to share this commitment and ensure their adherence to the appropriate laws, practices, and the Code.

6.3 Fair Competition

IKK Group and its subsidiaries' Suppliers shall conduct their business in line with fair competition and in accordance with all applicable laws. Suppliers shall not engage in collusive bidding, price discrimination, anti-competitive, anti-trust, or other unfair trade practices.

6.4 Ethical Sourcing

IKK Group and its subsidiaries' Suppliers shall source goods or services from third parties that meet, as a minimum, country of origin standards for health and safety, working hours, pay, employment conditions and environmental protection. Suppliers have a responsibility to know the origins of all materials and to ensure authenticity. Suppliers must respond to requests for information regarding the source of any products or materials. Suppliers must at all times ensure that the origin of any and all materials supplied to IKK Group, or its subsidiaries, are from countries which KSA has not restricted or banned dealing with.

6.5 Conflict of Interest



IKK Group and its subsidiaries' Suppliers must operate in a manner that is open, transparent and of the highest integrity. Suppliers must disclose if any of their employees or their family members has a close relationship with an IKK Group or its subsidiaries' employee before entering negotiations and whenever they arise. Suppliers should also notify IKK Group and its subsidiaries if any of their employees' family members work for IKK Group or its subsidiaries, have a financial interest in IKK Group or its subsidiaries, or have any kind of past or present business relationship with IKK Group or its subsidiaries.

IKK Group and its subsidiaries have firm policies in place, which may prevent certain transactions with Suppliers from proceeding or continuing.

6.6 Gifts, Gratuities and Entertainment

IKK Group and its subsidiaries' Suppliers must comply with the Anti-Bribery Laws. IKK Group and its subsidiaries also have strict rules relating to gifts policies, which limit the giving and receiving of gifts and business courtesies. Whilst the exchange of courtesies such as meals, entertainment and nominal gifts is a widespread practice, these exchanges must be occasional, causal, and nominal. Low value gifts (e.g., giveaways or token gifts such as branded pens, coffee mugs, small boxes of confectionery or small fruit baskets etc.) may be accepted on behalf of a department of IKK Group or its subsidiaries.

Gifts, gratuities, and hospitality offered or extended by Suppliers to IKK Group or its subsidiaries' personnel that exceed nominal value or reasonable hospitality such as Cash and gifts that are cash equivalent (e.g., shopping coupons) are forbidden according to IKK Group and its subsidiaries' policies.

Any relationships or forms of communication with public officials and their family members must be in strict compliance with the rules and regulations. Providing gifts to public officials is prohibited, with some violations subject to prosecution and penalties. Therefore, you may always consult with the IKK Legal Department for further guidance.



7. Intellectual Property

In accordance with legislation governing the protection of brands and other distinguishing marks, patents and copyright, Intellectual property rights are to be respected; transfer of technology, knowledge and information is to be done in a manner that protects intellectual property rights. IKK Group and its subsidiaries do not permit the use of its protected intellectual properties by the Supplier without IKK Group and its subsidiaries' written approval. Suppliers must also take reasonable steps to ensure that their employees, throughout all tiers, safeguard sensitive information. Suppliers must avoid transmitting information from other customers to IKK Group or its subsidiaries without written permission.

8. Confidentiality

As part of the contract/agreement implementation or in preparation to enter a contract or agreement, Supplier may gain access to information or material, in which IKK Group and its subsidiaries deem to be proprietary or confidential. Suppliers, in all instances, shall comply with the confidentiality undertakings and obligations of which are set forth in the relevant document such as request for proposal, invitation to bid, other solicitation document, or agreements by and between IKK Group or its subsidiaries and the Supplier.

IKK Group and its subsidiaries consider any breach of confidentiality and unauthorized disclosure or use of proprietary or confidential information as a very serious matter and reserves the right (without prejudice to all other legal or contractual remedies) to disqualify any potential Supplier or to terminate any relationship with a current Supplier if IKK Group and its subsidiaries make sure that the supplier violated the obligations of confidentiality.

All advertisements, press releases, or printed matter that refers to IKK Group or its subsidiaries or existing/potential Supplier's relationship with IKK Group or its subsidiaries must be approved by IKK Group Corporate Marketing and Communications Department prior publication or any other use.



9. Communications

IKK Group and its subsidiaries' policies require that all transactions are conducted fairly, honestly, and with integrity, according to the highest ethical standards. Abuse or violation of these respective policies is considered dishonesty.

Suppliers and their personnel shall avoid even the appearance of unethical or compromising practices in relationships, actions, or communications with regard to existing or proposed business relationships with IKK Group or its subsidiaries.

IKK Group and its subsidiaries deem that derogatory things as a conflict of interest and improper business practice for current or former IKK Group or its subsidiaries' personnel to utilize any confidential or proprietary business, technical, or other information obtained while in the service of IKK Group or its subsidiaries to influence IKK Group or its subsidiaries' existing or proposed commercial transactions for the purpose of gaining a personal commercial advantage, or benefitting any third party, or to otherwise damage IKK Group or its subsidiaries, whether during or after leaving employment with IKK Group or its subsidiaries.

Suppliers shall not solicit, encourage or attempt to utilize current or former IKK Group or its subsidiaries' employees in any manner, which might cause them to disclose or provide any confidential, proprietary, trade secret/s or other restricted information obtained while employed by IKK Group or its subsidiaries to influence IKK Group or its subsidiaries' existing, proposed, or potential commercial transactions for the purpose of gaining a commercial advantage.

IKK Group and its subsidiaries will act appropriately to detect any such improper business practices and will take appropriate action against current or former employees and suppliers who violate these restrictions. Suppliers are expected to cooperate with IKK Group and its subsidiaries' investigations and provide reasonable assistance as requested.



10. Diligence in the use of Company Assets

Suppliers' personnel must protect and safeguard any IKK Group and its subsidiaries' - owned assets entrusted to them and avoid situations that might impact negatively on the reliability and safety of the property of IKK Group and its subsidiaries.

The use of IKK Group and its subsidiaries' -owned assets assigned to suppliers' personnel for purposes not connected with company business is prohibited.

11. Additional requirements for Suppliers registered in the Kingdom of Saudi Arabia

The Supplier shall always substantiate his compliance with Saudization and Jobs Localization Laws, Regulations and Policies in Saudi Arabia that aims to appoint qualified Saudis in appropriate jobs.

IKK Group and its subsidiaries expect an effective contribution from its Suppliers towards Saudi labor placement in which he exceeds minimum requirements by creating actual, functional, and high standard jobs for Saudis by offering advanced & high efficiency training programs and assigning various important roles within their organization, in line with the national duty and social responsibility.

12. Monitoring and Compliance

The Supplier is responsible for complying with the standards and requirements of this Code and to monitor its own business activities. Supplier shall conduct periodic internal reviews, inspections, and audits to ensure their compliance with this Code and its applicable requirements. Additionally, the Supplier is responsible for ensuring that the standards and requirements of this Code are communicated and understood by its personnel working on or in support of IKK Group and its subsidiaries' projects, jobs, contracts, agreements, and orders. Supplier will be held liable for the conduct and actions of its employees.

The implementation of this Code is a shared responsibility between IKK Group and its subsidiaries and its suppliers. Suppliers are required to disclose to IKK Group and its subsidiaries any current and potential incidents, promptly and confidentially, that may



lead to the appearance of conflicts of interest or instances of unethical or fraudulent behavior by the Supplier employees or IKK Group or its subsidiaries' employees. Suppliers are to cooperate with IKK Group and its subsidiaries in any inquiries or investigations pertaining to past, current, or potential instances of unethical or fraudulent behavior or conflicts of interest related to any IKK Group or its subsidiaries' business activity.

Suppliers are required to promptly notify IKK Group or its subsidiaries when they become aware of any actual or potential violation of this Code and to propose corrective plans regarding such violation.

Potential or actual violations to this Code or other ethical irregularities should be reported directly through the official whistleblowing reporting channels.

12.1 Reporting Channels

IKK Group and its subsidiaries strongly encourages its suppliers to speak up if they suspect or witness any matters of concern or violation of the code of ethics and business conduct by:

- Sending an email to: whistleblowing@ikkgroup.com
- Call **+966 12 6278615** (Mr. Hashem Baroom)

Suppliers shall maintain appropriate records to substantiate compliance with the terms and conditions of this Code and to provide such evidence to IKK Group and its subsidiaries upon request. IKK Group or its subsidiaries or its designated representatives may be engaged in periodic monitoring activities to confirm suppliers' compliance with this Code. These monitoring activities may include on-site facilities inspections, asking for questionnaires, review of publicly available information, or other measures necessary to assess Supplier compliance with this Code. Such monitoring activities may be performed in addition to any audit rights, which may be set forth in any agreement/contract with IKK Group or its subsidiaries. Supplier performance assessment will be used by IKK Group and its subsidiaries as a major factor in selecting bidders or to possibly restrict Suppliers from new IKK Group and its subsidiaries' business opportunities.



12.2 Non-Retaliation

Please note that IKK Group and its subsidiaries strictly prohibit any retaliation against anyone for raising or helping to address an integrity concern in good faith. We also expect our Suppliers to help prevent retaliation and address confirmed allegations as necessary.

Acknowledgment of IKK Group Supplier Code of Ethics and Business Conduct

I, the undersigned, on behalf of **(Supplier Name)** hereby acknowledge and agree to abide by the guidelines and principles of the IKK Group Supplier Code of Ethics and Business Conduct when preparing and submitting bids and proposals for the IKK Group or its Subsidiaries Projects, for provision of goods and services and during the performance and administration of all agreements entered into with IKK Group or its Subsidiaries for Such Purposes.

Authorized signatory

Signature

Position

Date

Official Company Stamp:

Important Instructions:

- *The form must be signed by owners or individuals acting as an attorney on behalf of the owner via a power of attorney that is consistent with the legal requirements.*
- *When applying via the IKK Group or its subsidiaries' supplier registration portal, a scanned copy must be uploaded and attached to the Supplier registration form.*
- *The IKK Group Supplier Code of Ethics and Business Conduct shall become a part of the Supplier's contractual obligations to IKK Group and its subsidiaries.*



13. Related Regulations / Laws

Law Name	Article Number	Text of the Article	Language of the Document
<p>International Labour Organization: www.ilo.org with specific reference to:</p> <ul style="list-style-type: none"> • International Labour Organization Convention on Freedom of Association and Protection of the Right to Organise Convention • International Labour Organization Convention on Working Hours • International Labour Organization Convention on Minimum Age for Admission to Employment • International Labour Organization Convention on the Worst Forms of Child Labour • International Labour Organization Convention on Forced Labour • International Labour Organization Convention on the Abolition of Forced Labour • International Labour Organization Convention on Equal Remuneration • International Labour Organization Convention on Discrimination (Employment and Occupation) 	The whole laws		English
<p>Business Principles to Combat Bribery by Transparency International: www.transparency.org</p>	The whole laws		English
<p>International Chamber of Commerce Guide for Anti-Corruption in Small and Medium-Sized Enterprises : https://iccwbo.org/news-publications/policies-reports/icc-anti-corruption-third-party-due-diligence/</p>	The whole laws		English
<p>United Nations Sustainable Development Goals : https://sustainabledevelopment.un.org/sdgs</p>	The whole laws		English
<p>Ethical Trading Initiative: www.ethicaltrade.org/</p>	The whole laws		English



14. Related Policies

Policy Name	Version
IKK Group Code of Ethics and Business Conduct Policy	2
IKK Group Whistleblowing Policy	1

15. Where to Find this Policy?

IKK Portal as announced through GCD Email.

16. Who to Contact for Feedback?

GCD@ikkgroup.com

17. View of this Policy

This policy is considered a property of the company, and non-company employees are not entitled to use it, and this policy has been prepared to be in accordance with the work requirements of the company to ensure the efficiency of internal and external controls, so all employees of the company must be allowed to view this policy and refer to it when needed, and all printed copies of this policy considered not approved unless it is documented by IKK Governance and Compliance Department.

18. Appendices

N/A