

**SECTION 1: SUMMARY AND PURPOSE**

Al-Futtaim Group (**AFG**) is committed to conduct business in a professional and ethical manner, keeping people and environment at the forefront. As business partners, AFG holds its Suppliers to the same standards.

AFG strives to engage with its Suppliers whilst it expects its Suppliers to uphold this Code as a pre-condition to such partnership.

The standards set forth in the Code are non-negotiable minimum standards that AFG strictly requires its Suppliers to comply with when conducting or attempting to conduct business with AFG.

**SECTION 2: ANTI-BRIBERY AND CORRUPTION**

An act of bribery means granting or receiving a benefit unjustly to influence the behaviour of someone to gain commercial advantage. Bribery can be but not limited to money, gifts, offering entertainments, and hospitality.

AFG is committed to stand against any act of corruption and strives to operate in a corruption-free environment. AFG's Internal Code reflects the same objective and AFG expects its Suppliers to use only legitimate and ethical business practices in undertaking its business activities with AFG and to comply with local and international laws pertaining to anti-corruption and/or the prohibition of the payment of bribes. Suppliers are also expected to implement and enforce all required practices and controls to ensure that its sub-contractors fully comply with the obligations and pledges given under this Code.

If, at any time during the course of business with AFG, the Supplier becomes aware of any actual or alleged incident of corruption or solicitation of a bribe by its own employees or AFG employees or otherwise, it must immediately report the same to AFG as detailed in Section 13.

**SECTION 3: TERMS AND DEFINITIONS**

**"AFG"** means the Al-Futtaim Group.

**"Code"** means this Supplier Code of Ethics document.

**“Conflict of Interest (“COI”)”** means a situation in which a person is in a position to derive personal benefit from actions or decisions taken by him/her that can possibly influence their decision.

**“Internal Code”** means the code of conduct and ethics for Al-Futtaim employees.

**“Supplier(s)”** means the supplier, its affiliates, its employees (permanent or temporary), its sub-contractors, and/or other third parties.

**“KSA”** means Kingdom of Saudi Arabia.

#### **SECTION 4: CONFLICT OF INTEREST**

Suppliers are expected to exercise reasonable care and due diligence when engaged in business activities with AFG to avoid both real and perceived COI. AFG expects its Suppliers to report any situation that may appear as a COI. Any potential COI shall be disclosed to AFG and written approval shall be given that states Supplier can continue operating in a situation that may be seen by AFG as a COI.

Close personal relationships between Suppliers and AFG employees should be avoided in order to foster a transparent relationship and positive working environment. Suppliers are expected to disclose if any of their employees is a relative or has a personal or business relationship with an AFG employee that might be a source of COI.

#### **SECTION 5: GIFTS AND ENTERTAINMENT**

It is not acceptable for the Suppliers to provide gifts, meals or entertainment, or any other form of benefit, to AFG employees as doing so might compromise, or appear to compromise, the ability of AFG employees to make objective business decisions in the best interest of AFG.

In line with AFG Internal Code, AFG employees, officers and directors must not accept, or permit any member of his or her immediate family to accept, any gifts, gratuities or other favours from any Supplier or other person doing or seeking to do business with AFG, other than items of non-commercial value. Genuine and reasonable hospitality and gifts (whether given or received) that are appropriate, proportionate, given openly and recognised as established ways of doing business, are acceptable if it is in line with AFG Internal Code.

**SECTION 6: LABOUR**

Suppliers must understand the importance to uphold human rights and treat their workers with dignity and respect in accordance with the KSA labour law and international standards. This applies to permanent and temporary workers.

Child labour is prohibited and will not be tolerated in any stage of business activities. The term Child is given the meaning as per KSA law.

Forced or bonded or involuntary labour shall not be used in any stage of business activities. All workers must work voluntarily and shall be allowed to terminate their employment as per the terms of their employment contract.

AFG is keen to ensure the workers' rights are fulfilled. The Supplier shall embrace the same and follow a transparent and reliable system to record and monitor the working hours and wages of its workers. The Supplier's workers should be paid a fair wage or at least equal to the minimum wage set by the KSA government.

AFG believes that a diverse workforce is a valuable asset and AFG encourages its Suppliers to actively strive to promote and embrace diversity with regards to their own workforce.

The Suppliers should not discriminate in their hiring and recruitment practices and should promote equal opportunities for all workers. This includes equal opportunities across criteria such as nationality, race, color, religion, gender, age, marital status or disability.

It is understood that in various countries and regions these principles can be modified to reflect national legal aspirations and requirements for positive discrimination in favour of citizens or disadvantaged groups.

**SECTION 7: ETHICAL STANDARDS**

AFG strives to build a corporate culture of integrity. Such culture is established around internal and external environments. The Internal Code and this Code forms the base of the culture that AFG always strives to achieve.

AFG 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 practice, including but not limited to extortion, fraud, or any form of collusion, forgery, or obtaining insider information to gain competitive advantage.

**SECTION 8: ENVIRONMENT**

AFG is committed to the protection of the natural environment, and to the safety of the communities in which it operates. AFG requires its Suppliers to act in a similar responsible manner to safeguard the environment by conducting operations in compliance with all applicable environmental legislation and other industrial standards, as well as continually seeking to minimise and where feasible eliminate all forms of pollution.

**SECTION 9: HEALTH AND SAFETY**

The Supplier must ensure that its workers are prevented from getting exposed to any severe health or safety hazards that are likely to form a risk of death or injury or illness. The Supplier shall also ensure that ongoing education and training of workers is essential to mitigate health and safety issues in the workplace.

**SECTION 10: SUB-CONTRACTORS**

All the requirements included in this Code shall be communicated by the Supplier to all relevant individuals involved in providing products, materials or services for AFG.

The Supplier shall ensure that it has a right to perform audits on its sub-contractors to ensure their compliance to this Code.

**SECTION 11: DISCIPLINARY ACTIONS**

Suppliers should have a clearly defined disciplinary code to ensure that all employees are treated with respect and dignity and shall not subject employees to any form of harassment or abuse. The main objective of the disciplinary code should be to bring an employee back to acceptable standards of performance and behaviour.

**SECTION 12: GENERAL CONDITIONS**

In the event AFG determines that Supplier's efforts to comply with this Code have been deficient and the Supplier fails to cooperate in developing and implementing reasonable remedial steps for such deficiency, AFG reserves the right to take appropriate actions up to, and including, discontinuing purchases from the Supplier.

Nothing in this Code is intended to, in any way, grant any additional rights or expectations to Suppliers or, in any way, modify or otherwise limit any of AFG's contractual or legal rights.

**SECTION 13: REPORTING CONCERNS**

Any Supplier's concerns shall be addressed to AFG at the email outlined below:

AFG.contracts@alfuttaim.com