


Sahara International Petrochemical Company (SIPCHEM)			
Department:	Procurement	Revision #:	0
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1. GUIDELINE STATEMENT

The Sahara International Petrochemical Company (Sipchem) is proud of its commitment to always conducting business with the highest degree of integrity and in full compliance with applicable laws and regulations. This commitment to integrity and high ethical standards extends to Sipchem’s dealings with all its vendors, suppliers, and contractors (collectively, “Suppliers”). It is through this commitment that we seek to ensure that we conduct our business in a responsible manner. We expect our Suppliers to have a similar commitment. It is the Supplier’s responsibility to achieve and maintain the minimum standards outlined in this Supplier Code of Conduct (Code), and train employees and contracted parties in their consequential rights and responsibilities.

Sipchem will assess its Suppliers’ compliance with this Code, and any violations of this Code may jeopardize the Supplier’s business relationships with Sipchem, up to and including termination. This Code applies to Sipchem suppliers and their subsidiaries, affiliates, and subcontractors (each a “Supplier”) providing goods or services to Sipchem.

2. COMPLIANCE WITH LAWS, CODES, AND REGULATIONS

Suppliers of Sipchem are required to comply with the Code and its principles, as well as the laws and regulations of Saudi Arabia and their respective operating locations. It is their responsibility to ensure that their suppliers and subcontractors follow the same standards outlined in the Code. As a SIPCHEM Supplier, you must comply with all relevant laws, codes, and regulations, as detailed in procurement documents such as bids and purchasing agreements. We expect our Suppliers to maintain the highest standards of integrity in their business practices. SIPCHEM requires compliance with these requirements in the following areas.

This includes compliance with child labor laws, anti-discrimination practices, health and safety standards, working conditions, working hours, compensation, right to association and freely chosen employment.

Freedom of association and the right to collective bargaining are respected.


Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. The employer adopts an open attitude towards the legitimate activities of trade unions. Workers representatives are not discriminated against and have access to carry out their respective functions in the workplace. Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

3. ENVIRONMENT, HEALTH, AND SAFETY

It is the responsibility of the supplier to ensure that its facilities are designed and safely operated in compliance with the established government and industry environmental protection policies and that they do not present unnecessary risks to the environment or public. Sipchem suppliers shall provide safe, sanitary, and healthy living quarters with reasonable personal space for all their employees.

Such compliance shall include, among other things:

Suppliers are expected to:

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- Obtain and comply with all necessary environmental permits and registrations and comply with reporting requirements outlined in relevant regulations.
- Handle hazardous materials and waste in an environmentally responsible manner and ensure proper disposal.
- Monitor and control discharges generated from operations and treat them responsibly.
- Maintain safe and healthy work environments for employees at all job sites and provide appropriate safety equipment.
- Provide written safety and health policies and procedures and conduct routine employee safety training.
- Maintain records of safety training and monitor safety performance.
- Ensure that facilities are designed and operated safely in accordance with established environmental protection and safety standards, and do not present unnecessary risks to the environment or public.
- Fulfill contractual obligations while considering social responsibility and environmental protection.
- Ensure that employees follow health and safety regulations, perform their duties safely, and promote sound public health and hygiene practices by providing necessary training.
- Air Emissions: Air emissions of volatile organic chemicals, greenhouse gases, 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
- 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

4. ETHICAL BUSINESS PRACTICES


Sipchem and its suppliers shall conduct their businesses in accordance with the highest standards of ethical behavior. This includes complying with the US Foreign Corrupt Practices Act (FCPA) and other applicable international anti-corruption conventions. Suppliers are expected to conform to these requirements in each of the following areas:

I. FAIR TRADE PRACTICES

Sipchem is dedicated to fair competition and compliance with antitrust and competition laws, and we hold our Suppliers to the same standard. It is imperative that our Suppliers refrain from entering into agreements that violate anti-competition laws. This includes avoiding collusive bidding, price discrimination, and other unfair trade practices that may be considered anti-competitive or violating antitrust laws.

II. ETHICAL SOURCING

Sipchem aims to collaborate with Suppliers who are dedicated to promoting social and economic

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development and sustainability in the communities they serve. We expect our Suppliers to source goods and/or services from entities that meet health and safety standards, adhere to appropriate working hours and employment conditions, and prioritize environmental protection in accordance with country-of-origin regulations.

Furthermore, we urge our Suppliers to prioritize the well-being of individuals involved in their supply chain, protect the areas where they source and process materials, and ensure that the sale of minerals or other raw materials does not finance armed conflict or human rights abuses.

5. RELATIONSHIPS AND COMMUNICATIONS

Sipchem Business Ethics Policy requires that all transactions are to be conducted fairly, honestly, and with integrity, according to the highest ethical standards. 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 Sipchem.


Sipchem views it as conflict of interest and improper business practice for current or former Sipchem employees to utilize any confidential or proprietary business, technical, or other information obtained while in the service in Sipchem to influence Sipchem’s existing or proposed commercial transactions for the purpose of gaining a personal commercial advantage, or benefitting any third party, or to otherwise damage Sipchem, whether during or after leaving employment by Sipchem.

Suppliers shall not encourage or utilize current or former Sipchem employees in any manner which would cause them to disclose or provide any confidential, proprietary, or other restricted information obtained while employed by Sipchem to influence Sipchem’s existing or proposed commercial transactions for the purpose of gaining a commercial advantage.

Suppliers shall not hire, employ, engage as a consultant, procure the service, or allow acquisition of any ownership interest of the Supplier, except through a permitted passive investment, by any current Sipchem employee. The restriction shall also apply to any former employee who has held a position within Sipchem at the level of “department head” or higher. The restriction pertaining to former employees shall be valid for a period of two (2) years following the time that such individual is no longer an employee of Sipchem. Suppliers may seek exceptions to these restrictions from Sipchem. Request for such exceptions should be submitted to the Chief Compliance Officer. Sipchem will take appropriate measures 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 Sipchem investigations and to provide assistance as requested.

6. BRIBERY, KICKBACK AND FRAUD

Bribery is a crime that is prohibited worldwide, and it is essential to comply with relevant anti-corruption laws. It is crucial to neither engage in nor permit any form of corruption, extortion, or bribery, whether while working with government officials or individuals in the private sector.

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In particular, offering bribes, kickbacks, or other payments aimed at influencing or compromising the conduct of Sipchem or its employees is strictly prohibited. It is important to avoid any appearance of unethical practices concerning existing or proposed business relationships with Sipchem.

7. GIFTS, GRATUITIES AND HOSPITALITY

Suppliers and their personnel shall not offer or provide Sipchem or its personnel with gifts, gratuities, or hospitality unless it is unsolicited, involves nominal value and is in line with customary business practices. Nominal gifts are described as a gift of a general nature having a low value, including such items as logo inscribed pens, caps, shirts, and coffee mugs. Customary business practice in terms of hospitality would include the acceptance of reasonable business entertainment and business meals.

Gifts, gratuities, and hospitality offered or extended by Suppliers to Sipchem personnel which exceed nominal value or reasonable hospitality are reportable under Sipchem policies and regulations. Items which are made available to the general public do not fall under this Policy.

8. MONITORING AND COMPLIANCE

Suppliers shall be responsible for complying with the standards and requirements of this Supplier Code of Conduct and to monitor their own business activities. Suppliers shall conduct periodic internal review, inspections, and audits to ensure their compliance with this Supplier Code of Conduct and its applicable requirements. Additionally, Suppliers are responsible for ensuring that the standards and requirements of this Code are communicated and understood by their personnel working or in support of Sipchem projects, jobs, contracts, agreements, and orders. Suppliers will be held responsible for the conduct and action of their employees.


The implementation of this Policy is a shared responsibility between Sipchem and its Suppliers. Suppliers are to promptly disclose to Sipchem, on a confidential basis, all current and potential incidents which give rise to the appearance of conflicts of interest and instances of unethical or fraudulent behavior by any party including Supplier employees or Sipchem employees, related to any Sipchem procurement and contracts business. Suppliers are to cooperate with Sipchem in any inquiries or investigations pertaining to past, current, or potential instances of unethical or fraudulent behavior or conflicts of interest related to any Sipchem business activity.

Suppliers are to promptly notify Sipchem when they become aware of any actual, or potential violation of this Code of Conduct and to communicate plans to correct and remedy such violation. Additionally, Supplier employees that become aware of violations of this Code are to notify Sipchem.

Potential or actual violations of this Code of Conduct and other ethical irregularities are to be reported directly to Sipchem Chief Auditor, and Chief Compliance Officer by email, letter, or telephone as follows:

Email: ethics@sipchem.com

Phone: +966 13 8019309

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Address: Chief Auditor & Chief Compliance Officer
P. O. Box
130 Khobar
31952
Kingdom of Saudi Arabia

All matters raised in good faith through these reporting lines will be handled in a confidential, non-retaliatory manner.

Suppliers shall maintain appropriate records to substantiate compliance with the terms and conditions of this Code of Conduct and provide evidence to Sipchem upon request. Sipchem or its designated representatives may engage in periodic monitoring activities to confirm Suppliers' compliance with this Code of Conduct. These monitoring activities may include on-site inspections of facilities, use of questionnaires, review of publicly available information, or other measures necessary to assess Supplier compliance with this code of conduct. Such monitoring activities may be performed in addition to any audit rights which may be set forth in an agreement with Sipchem. A Supplier performance assessment will be used by Sipchem as a factor in the selection of bidders, the administration of contracts and procurement or possibly restrict Supplier access to new Sipchem business opportunities.

Based on the assessment of information made available to Sipchem, Sipchem reserves the right (in addition to all legal and contractual rights) to disqualify any potential Supplier or terminate any relationship with a current Supplier which Sipchem has found to be in violation of this Supplier Code of Conduct, without liability.


9. CONFIDENTIALITY

As part of the process of seeking to provide goods, services, or personnel (including consultants) to Sipchem or in providing such goods, services, or personnel under the terms of an applicable Agreement, Suppliers may gain access to information or material which Sipchem deems to be proprietary or confidential. Suppliers, in all instances, shall comply with the obligations of confidentiality which are set forth in the applicable request for proposal, invitation to bid, other solicitation document, or agreement by and between Sipchem and the Supplier.

Sipchem views breaches of confidentiality and unauthorized disclosure or use of proprietary or confidential information very seriously and reserves the right (in addition to all other legal and contractual rights) to disqualify any potential Supplier or to terminate any relationship with a current Supplier Sipchem has found to have violated its obligations of confidentiality.

All advertising, press releases, or printed matter that references Sipchem or a Supplier's relationship with Sipchem must be approved by the Sipchem Corporate Communication Department prior to publication or other use.

10. APPLICATION

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The Supplier Code of Conduct is a general statement of Sipchem’s expectations and requirements with respect to its Suppliers. The Code of Conduct should not be read in lieu of, but in addition to, any Supplier obligations set forth in a) requests for proposals, invitation to bid, or other solicitation documents, or b) agreements by and between Sipchem and the Supplier. In the event of a conflict between this Code of Conduct and any Sipchem solicitation documents or applicable agreements, the terms of the applicable solicitation documents or agreements shall prevail. The requirements of this Code of Conduct are not subject to a waiver. Neither Sipchem, nor their personnel or representatives are authorized to propose or approve conduct inconsistent with this Code of Conduct.