

Kingdom Holdings Limited

Supplier Code of Conduct

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1. PURPOSE

The strength of Kingdom's reputation is based not only on our own conduct, but also on the behavior of those with whom we do business. The Kingdom Supplier Code of Conduct outlines Kingdom's basic expectations for our suppliers in the areas of Employment, Health and Safety, Environment, Business Conduct and Management System. This Code is based on our corporate values for sustainable and responsible operations. For that reason, we work only with suppliers that share our values and commitment to ethical business practices. The Kingdom's team is committed to the highest standards of integrity and is fully compliant with our company's Code of Professional Conduct and the laws and policies that apply to our business.

If non-conformance to this Code is detected, Kingdom will attempt to work with the supplier concerned to correct the situation. We expect the supplier to develop a corrective action plan to bring its operations into Code conformance so that supply to Kingdom can continue. If a supplier does not develop such a plan or fails to implement it, Kingdom may move to terminate the business relationship. If, however, a supplier demonstrates not only conformance to this Code, but additional dedication to improving the sustainability of their operations, they may positively distinguish themselves from their competition. We encourage all suppliers to take a proactive approach to responsible and sustainable operations by establishing and implementing their own relevant policies and programs, and expecting their suppliers to do the same.

2. SCOPE

The requirements contained herein have been prepared to guide the conduct of any agents and consultants that provides goods and services to Kingdom, its subsidiary(ies) or associate(s) or acts on Kingdom's behalf. Suppliers must operate in full compliance with the laws, rules and regulations of the countries and communities in which they operate and must be committed to doing business without bribery. These requirements are applicable to Kingdom suppliers and their affiliates and subsidiaries globally.

3. EMPLOYMENT

In addition to full compliance with all applicable labor and human resource laws, we expect our suppliers to be committed to upholding the human rights of employees, and treating them with dignity and respect as understood by the international community. This applies to all employees including temporary, migrant, student, contract, direct employees, and any other type of employee.

3.1 FREELY CHOSEN EMPLOYMENT

Forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, trafficked or slave labor shall not be used. This includes transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on employees' freedom of movement in the facility or unreasonable restrictions on entering or exiting company-provided facilities. As part of the hiring process for employees entering the country specifically to work for the supplier, employees must be provided with a written employment agreement in their primary language that describes terms and conditions of employment prior to the employee departing from his or her country of origin, or the supplier will utilize other mechanisms to ensure employees understand their employment terms. All work must be voluntary and employees shall be free to leave work at any time or terminate their employment. Employers and agents may not hold or otherwise destroy, conceal, confiscate or deny access by employees to employees' identity or immigration documents, such as government issued identification, passports or work permits, unless the holding of work permits is required by law. Employees shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by employees, such fees shall be repaid to the employee.

3.2 CHILD LABOR

Suppliers must comply with the applicable local laws with regard to the minimum hiring age for employees. If no such law exists or if the existing law permits the hiring of employees younger than 18 years of age (Child labor), the supplier may not employ anyone under 16 years of age. Child labor shall not perform hazardous work. Suppliers shall provide appropriate support and training to all child labors.

3.3 WORKING HOURS

Workweeks are not to exceed the maximum set by local law. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Employees shall be allowed legally mandated breaks, holiday and vacation days to which they are legally entitled, including time off when ill or for maternity leave. Further, employees shall be allowed at least one day off every seven days.

3.4 WAGES AND BENEFITS

Compensation paid to employees shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, suppliers shall compensate employees for overtime at pay rates greater than regular hourly rates. For each pay period, suppliers shall provide employees with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor will be within the limits of the local law.

3.5 HUMANE TREATMENT

There is to be no harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of employees; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to employees.

3.6 NON-DISCRIMINATION

Suppliers should commit to a workplace free of harassment and unlawful discrimination. Companies shall not engage in discrimination based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring or in employment practices such as wages, promotions, rewards, and access to training. Suppliers shall reasonably accommodate employees for religious practices. In addition, suppliers should not subject employees or potential employees to medical tests or physical exams that could be used in a discriminatory way. Physical assessments to determine capability to perform the job are appropriate if based on physical job requirements.

3.7 FREEDOM OF ASSOCIATION

In conformance with local law, suppliers shall respect the right of all employees to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as respect the right of employees to refrain from such activities. Employees or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment.

4. HEALTH AND SAFETY

In addition to full compliance with all applicable health and safety laws, we expect our suppliers to minimize the incidence of work-related injury and illness, and foster a safe and healthy work environment.

4.1 OCCUPATIONAL SAFETY AND INDUSTRIAL HYGIENE

Employee exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, excessive noise, and fall hazards) is to be controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tag out, and ongoing safety training. Employees shall be encouraged to raise safety concerns. Employee exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled. Employee health is to be protected by appropriate personal protective equipment programs. The supplier's workplace should ensure potable drinking water, adequate lighting, temperature, ventilation and sanitation.

4.2 OCCUPATIONAL INJURY AND ILLNESS

Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness including provisions to: encourage employee reporting; classify and record injury and illness cases; provide necessary medical treatment; investigate cases and implement corrective actions to eliminate their causes; and facilitate return of employees to work.

4.3 SANITATION, FOOD AND HOUSING

Employees are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Employee dormitories provided by the supplier or a labor agent are to be maintained to be clean and safe, and provided with appropriate emergency exits, hot water for bathing and showering, adequate heat and ventilation, and reasonable personal space along with reasonable entry and exit privileges.

4.4 HEALTH AND SAFETY COMMUNICATION

Supplier shall provide employees with appropriate workplace health and safety training in their primary language. Health and safety related information shall be clearly posted in the facility.

5. ENVIRONMENT

In addition to full compliance with all applicable environmental law, suppliers should work to minimize adverse effects on the community, environment and natural resources, while safeguarding the health and safety of employees and the public.

5.1 ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

Significant energy consumption and greenhouse gas emissions are to be tracked and documented, at the facility and/or corporate level. Suppliers are to look for cost-effective methods to improve energy efficiency in their operations and to minimize their energy consumption and greenhouse gas emissions.

5.2 SOLID WASTE AND WASTEWATER

Supplier shall implement a systematic approach to identify, manage, and responsibly dispose of or recycle solid waste (nonhazardous). Wastewater generated from operations, industrial processes and sanitation facilities are to be characterized, monitored, controlled and treated as required prior to discharge or disposal. Supplier shall conduct routine monitoring of the performance of its wastewater treatment systems where appropriate.

5.3 HAZARDOUS SUBSTANCES

Chemicals and other materials (including wastes) posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.

5.4 ENVIRONMENTAL PERMITS AND REPORTING

All required environmental permits, approvals and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.

5.5 POLLUTION PREVENTION AND RESOURCE REDUCTION

The use of resources, generation of waste of all types to be reduced or eliminated at the source where feasible, by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

5.6 LEGALLY HARVESTED PLANT MATERIALS

Suppliers are expected to supply to Kingdom materials containing plant materials or their derivatives that are legally sourced, harvested and exported from their country of origin. Suppliers shall adopt policies and management systems with respect to the local laws.

6. BUSINESS CONDUCT

Suppliers and their agents are expected to comply with all applicable laws and conduct their business with the highest standards of conduct.

6.1 BUSINESS INTEGRITY

The highest standards of integrity are to be upheld in all business interactions. Suppliers shall have a policy to prohibit any and all forms of bribery, corruption, extortion, money laundering and embezzlement. All business dealings should be transparently performed and accurately reflected on supplier's business books and records. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

6.2 ANTI-CORRUPTION

Supplier shall comply with all applicable anti-corruption laws while conducting business on behalf of Kingdom or with Kingdom. Supplier shall not engage in any form of bribery, kickbacks, corruption, extortion, money laundering or embezzlement. Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, hiring persons or otherwise gain an improper advantage.

6.3 GIFTS AND ENTERTAINMENT

Supplier must not provide any gift or entertainment to a Kingdom employee that might influence, or appear to influence, a Kingdom employee's decision in relation to the supplier. Business decisions must be made on the basis of fair and objective criteria.

6.4 CONFLICTS OF INTEREST

Suppliers are expected to make business decisions that are in the best interests of Kingdom. A conflict of interest may arise in situations in which a Kingdom employee or family member is employed by or has a financial interest in the Supplier's business. Kingdom employees are required to disclose all actual or potential conflicts of interest immediately. Kingdom employees may not serve as officers, directors, employees, agents or consultants of a Supplier, except with the consent of Kingdom Management in consultation with Kingdom's legal advisers. Any such disclosure will be reviewed on a case-by-case basis. Final determination on the business relationship will be made by Kingdom's Management. Suppliers must immediately disclose to Kingdom Management actual or potential conflicts of interest, including any business relationship and/or any financial interest of a Kingdom employee in a Supplier's business.

6.5 DISCLOSURE OF INFORMATION

Supplier shall disclose information regarding labor, health and safety, environmental practices, business activities, structure, financial situation and performance consistent with applicable regulations. Supplier shall not provide false or misrepresented records or reports of conditions or practices in their supply chain.

6.6 INTELLECTUAL PROPERTY

Supplier shall respect intellectual property rights, ensure technology and know-how is transferred in a manner that protects intellectual property rights, and ensure that customer information is safeguarded.

6.7 FAIR BUSINESS, ADVERTISING AND COMPETITION

Standards of fair business, advertising and competition are to be upheld. Appropriate means to safeguard customer information must be available.

6.8 REPORTING, PROTECTION OF IDENTITY AND NON-RETALIATION

Supplier shall have adequate systems to address employee concerns and grievances. Those systems must protect confidentiality, allow anonymity of reporting unless prohibited by law, and protect employees against retaliation.

6.9 PRIVACY

Supplier shall protect the privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers and employees. Suppliers are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

7. MANAGEMENT SYSTEM

7.1 MANAGEMENT ACCOUNTABILITY AND RESPONSIBILITY

The supplier clearly identifies senior executive and company representative[s] responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management system on a regular basis. Supplier shall have a process to assess that sufficient and qualified resources are assigned to their own Supplier Responsibility Code.

7.2 RISK ASSESSMENT AND RISK MANAGEMENT

A process to identify the legal compliance, environmental, health and safety and labor practice and conduct risks associated with supplier's operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

7.3 AUDITS AND ASSESSMENTS

Periodic self-evaluations to ensure conformance to legal and regulatory requirements and the content of these Standards.

7.4 TRAINING

Programs for new and ongoing training of managers and employees to implement supplier's policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements and this Code.

7.5 DOCUMENTATION AND RECORDS

Processes and controls to ensure accurate books and records, and creation and maintenance of documents and records to ensure regulatory compliance and conformance to company requirements, along with appropriate confidentiality to protect privacy.

7.6 MONITORING AND COMPLIANCE

Kingdom Suppliers are expected to self-monitor compliance with these Standards of Conduct. Suppliers should also be aware of the fact that Kingdom will engage in various monitoring activities to confirm compliance with these Standards, which may include auditing Supplier compliance.

7.7 EMPLOYEE FEEDBACK AND PARTICIPATION

Ongoing processes to assess employees' understanding of and obtain feedback on practices and conditions covered by this Code and to foster continuous improvement.

7.8 SUPPLIER RESPONSIBILITY

A process to communicate the Kingdom Supplier Responsibility Code requirements to next-tier suppliers and to require suppliers to adopt management systems and practices for compliance to this Code or requirements materially consistent with this Code.