



نيوم NEOM

## NEOM SUPPLIER CODE OF CONDUCT

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### 1. PURPOSE

This Supplier Code of Conduct (hereinafter referred to as the “Code of Conduct” or the “Code”) establishes a Policy for all current and potential suppliers of the NEOM Company in relation to NEOM project and any other entity to be established in connection with NEOM project (“NEOM”). NEOM’ suppliers include vendors, partners, consultants, manufacturers, contractors and sub-contractors who are registered with NEOM and are seeking to provide goods, services and personnel to NEOM or which are currently parties to agreement for such purposes with NEOM or one of its contractors. This policy applies to NEOM and all of its subsidiaries.

The Code of Conduct contains the policies that relate to the legal and ethical standards of conduct that vendors, partners, manufacturers, contractors and sub-contractors (together, the “Suppliers”) are expected to comply with while carrying out their fiduciary duties and responsibilities to NEOM.

Furthermore, this Code is intended to help the Suppliers focus on areas of ethical risk, provide guidance to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability.

NEOM is proud of its vision and of what it has been designed to achieve in serving millions of people across the Kingdom and the world. All Suppliers contribute to NEOM’s success by participating in a culture of compliance and understanding the policies that apply to the business, by embracing NEOM’s commitment to integrity, and by acting to enforce applicable international standards, avoiding violations and safeguarding the reputation of NEOM.

Suppliers have a duty and personal commitment to NEOM to uphold its common ideals, as set out in this Code, which will enable NEOM to continue to prosper while keeping its reputation of high integrity and ethics.

### 2. COMPLIANCE WITH LAWS, CODES, REGULATIONS AND ANY CONTRACTUAL ARRANGEMENTS ENTERED INTO WITH THE SUPPLIER

NEOM expects the Suppliers to comply with the laws of their countries in which they are headquartered and with all applicable laws, rules and regulations of the Kingdom of Saudi Arabia.



In addition, the Supplier shall comply with any contractual arrangements entered into between the Supplier and NEOM in addition to this Code of Conduct.

### **3. TREATING PEOPLE WITH DIGNITY AND RESPECT**

#### **3.1 Applicable Human Rights Laws**

Suppliers must adhere to the human rights law applicable in both KSA and the country in which they are operating in. NEOM is committed to working with all suppliers and other partners as they undertake similar assessments of their own business and develop their own approach to respecting human rights.

#### **3.2 No forced or Child labor**

NEOM complies with all applicable laws regarding the treatment of our employees and other stakeholders. Suppliers that do business with NEOM are prohibited from using slave or involuntary labor, of any kind including prison labor, debt bondage or forced labor by governments. Suppliers must not engage in human trafficking and must not use physical or psychological abuse, threats of violence, or other forms of violence, or other forms of physical or mental coercion.

Suppliers who undertake business with NEOM must comply with all applicable child labor laws, including those related to hiring, wages, hours worked, overtime and working conditions. Only worker who meet the applicable minimum legal age requirement in the country where they are working may be hired by a supplier.

#### **3.3 Diversity and Inclusion**

NEOM believes in recognizing and valuing our differences to deliver superior results. Bringing together people of different races, gender, education, language, skill sets and experience enables ideas and innovation to flourish.

NEOM expects its suppliers to be inclusive and to ensure that their employees and other stakeholders are always treated with dignity and respect. NEOM expects its suppliers to prohibit discrimination or harassment against anyone based on an individual's: ethnic descent or national origin, race or color, gender, age, disability.

To best meet these expectations, suppliers should have formal policies that prohibit harassment and discrimination and should periodically review hiring and promotion practices to ensure fair treatment.



### **3.4 Anti-harassment**

NEOM is committed to a working environment which is free from harassment, including discrimination, victimization and bullying, and in which dignity of the individual is paramount. As such, all Suppliers are responsible for helping to ensure that individuals do not suffer any form of harassment.

### **3.5 Wages and hours**

Suppliers must follow all applicable laws regarding working hours, wages and overtime pay. Workers must be paid at least the minimum legal wage or a 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 necessary time off, paid annual leave and holidays, as required by local laws.

## **4. ENVIRONMENTAL, HEALTH AND SAFETY PRACTICES**

It is the responsibility of the Supplier to assure that its facilities are designed and safely operated in compliance with the established government and industry environment protection policies and that they do not present unnecessary risks to the environment or public.

It is important that suppliers manage compliance, minimize environmental impact and drive continual improvement of environmental compliance. Suppliers must maintain documentation to be able to respond to requests for information including but not limited to resource consumption, emissions, compliance, environmental risks and liabilities and other environmental sustainability matrices.

Such compliance shall include, amongst other things:

- Obtaining and maintaining any necessary environmental permits.
- Proper handling and disposition of hazardous materials and refuse.
- Monitoring, controlling, and responsibly treating discharges generated from operations.
- Conducting appropriate employee safety training and providing adequate safety equipment.
- Maintaining records of safety training and monitoring safety performance.
- Ensuring Suppliers' employees comply with applicable health and safety rules and regulations and perform their duties and work in a manner which will not endanger themselves or others.
- Providing training required to promote sound public health and hygiene practices.



## **5. SAFE AND HEALTHY WORKPLACE**

A safe and healthy working environment is critical to the success for both an effective partnership between NEOM and its suppliers. Suppliers must comply with all applicable laws regarding working conditions. This includes worker health and safety, hygiene and sanitation, fire safety, risk protection and electrical, mechanical and structural safety.

NEOM desires to partner with all suppliers in efforts to meet NEOM's commitment to the safety and well-being of its employees.

## **6. ETHICAL BUSINESS PRACTICES**

To meet social responsibilities, suppliers are expected to conduct their business in an ethical manner and to act with integrity at all times. Ethical requirements include the following aspects:

### **6.1 Bribery**

NEOM strictly prohibits all bribery and all of its suppliers must follow the applicable law and NEOM's policy that prohibits giving anything of value to any person or entity where the purpose is to obtain an improper business advantage.

Bribery can include not just the payment of money but the transfer of anything of value including lavish entertainment or travel expenses, or political or charitable donations. NEOM does not tolerate bribery in any form and is committed to conducting its business with integrity. NEOM also reserves the right to refer such matters to public authorities for possible criminal prosecution.

NEOM construes "close personal relationships" as relationships between immediate family members, spouses, fiancés, children, grandchildren, siblings, parents, grandparents, aunts, uncles, nieces, nephews, and their respective spouses and any other relationships that reasonably might be perceived as potentially compromising either employee's ability to make independent, unbiased decisions.

### **6.2 Fraud**

NEOM is committed to promoting honesty, integrity and has a zero-tolerance to fraud.

All suppliers are expected to share this commitment and lead by example in ensuring adherence to appropriate regulations, procedures, practices and the Code.



### **6.3 Fair Competition Laws**

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

### **6.4 Ethical Sourcing**

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.

### **6.5 Conflict of Interest**

Suppliers must do business in a way that is open, transparent and with the highest integrity. There is the potential for a conflict of interest if a supplier's employee or his or her family member has a close relationship with a NEOM employee who can make decisions that will affect the Supplier's business. For that reason, the Supplier must disclose these types of relationships to NEOM before entering into negotiations and whenever they arise.

The Supplier should notify NEOM if any of its employees' family members work for NEOM, have a financial interest in NEOM, or have any kind of past or present business relationship with NEOM. To better ensure that such notifications occur, suppliers should have policies regarding conflicts arising from personal relationships and the giving and receiving of gifts and other business courtesies.

### **6.6 Gifts and Business Courtesies**

Suppliers must respect NEOM's policy of conflicts of interest, which limits the giving and receiving of business courtesies. Whilst the exchange of courtesies such as meals, entertainment and nominal gifts is a widespread practice, these exchanges must be casual and token.

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 as well as larger items (e.g. large boxes of confectionery or larger gift hampers, etc.) may be accepted on behalf of a whole department of NEOM. However, gifts from providers or tenderers must never be accepted during a tendering process. Cash and gifts that are cash equivalent (e.g. shopping coupons, prepaid credit cards) must also never be given or accepted.

Grants and donations can only be given if the Supplier does not receive, and is not perceived to receive, any tangible commercial consideration or benefit in return.



Any relationship with public officials must be in strict compliance with the rules and regulations to which they are subject, and any benefit conveyed to a public official must be fully transparent, properly documented, and accounted for.

## **7. INTELLECTUAL PROPERTY**

Each supplier must ensure that its own supply network respects the intellectual property of others. Suppliers must take reasonable steps to ensure that their vendors, through all tiers, safeguard sensitive information. Suppliers must avoid transmitting information from other customers to NEOM without written permission.

If a supplier becomes aware of any violation of NEOM's intellectual property rights, then the Supplier must notify NEOM immediately. A supplier must not register any intellectual property of NEOM in the Supplier's own name, nor use NEOM's intellectual property for any other purposes. At the request of NEOM or at the end of a relationship, the Supplier must return NEOM's sensitive information or certify its destruction.

### **7.1 Anti-Counterfeit**

Suppliers have a responsibility to know the origins of all parts and materials and to ensure their authenticity. Suppliers must respond to requests for information regarding the source of any parts or materials.

NEOM upholds all applicable laws regarding antitrust and believes that the highest standards of fair business and competition are to be upheld.

Suppliers shall not engage in collusive bidding, price fixing, price discrimination or other unfair trade practices in violation of antitrust laws and regulations.

Deceptive practices are also prohibited such as making false or misleading statements and representations about products or services of NEOM and its competitors.

## **8. MONITORING AND COMPLIANCE**

Suppliers shall be responsible for complying with the requirements set forth in Supplier Code of Conduct and shall conduct periodic internal reviews, inspections and audits to ensure their compliance with the Code. 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 NEOM. Suppliers will be held liable for the conduct and actions of its employees.



Suppliers have a responsibility to understand and follow this Code. In addition, all suppliers are expected to perform their work with honesty and integrity in any areas not specifically addressed by the Code.

Suppliers are required to immediately notify NEOM as soon as they become aware of any actual or potential violation of the Code and to propose corrective plans regarding such violation. NEOM may terminate its relationship with a Supplier in a material breach or repeated breaches of the Code.

Potential or actual violations of the Code and any other irregularities are to be reported directly to the Head of Procurement.

Suppliers shall maintain appropriate records to substantiate compliance with the requirements of the Code and provide such proof to NEOM upon request. NEOM or its designated representatives may be engaged in periodic monitoring activities to confirm its Suppliers compliance with the Code. These monitoring activities may include on-site facilities inspections, using questionnaires, review of `ly available information, or any other measures necessary to assess Supplier compliance with the Code. Such monitoring activities may be performed in addition to any audit rights which may be set forth in any agreement/contract with NEOM.

No code or policy can anticipate every situation that may arise. However, NEOM expects its suppliers to exercise independent professional judgment and to deter wrongdoing in the conduct of all duties and responsibilities on behalf of NEOM.



## NEOM'S SUPPLIER CODE OF CONDUCT ACKNOWLEDGEMENT FORM

(Applicable to Vendors, Manufacturers, Contractors, and Sub-Contractors)

NEOM is committed to the highest ethical and legal standards in the conducts of its business. NEOM requires all registered vendors, manufacturers, contractors and sub-contractors with which NEOM conducts business to acknowledge and agree to abide by the policies and principles set forth in the attached NEOM Supplier Code of Conduct.

NEOM's Code of Conduct shall be acknowledged by all vendors, manufacturers, contractors, and sub-contractors at the time of registration or, if previously and currently registered, at the time of submitting a request for registration renewal, or submitting bids and proposals in response to NEOM's invitations and solicitations to bid.

The Acknowledgement to NEOM's Supplier Code of Conduct must be signed by an authorized representative of the Supplier or individuals acting as an attorney on behalf of the Supplier via an appropriate power of attorney that is consistent with the legal requirements of the Kingdom of Saudi Arabia.

I, on behalf of \_\_\_\_\_ hereby acknowledge and agree to abide by the policies and principles of NEOM's Supplier Code of Conduct and to ensure that the employees, officers, directors, agents and representatives of \_\_\_\_\_ are aware of and shall abide by such policies and principles in the process of preparing and submitting bids and proposals for NEOM related work, for the provision of goods and services to NEOM, and during the performance and administration of all agreements entered into with NEOM for such purposes.

**Name**

**Date**

**Stamp and Signature**