



## **Acknowledgement of KJO's Supplier Code of Conduct**

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

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

This KJO Supplier 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 category enhancement, or submitting bids and proposals in response to KJO's invitations and solicitations to bid.

Acknowledgement must be signed either by owners, or individuals acting as an attorney on behalf of the owner via an appropriate power of attorney that is consistent with the legal requirements of Saudi Arabia. It should be also authenticated by the relevant Chamber of Commerce.

Original acknowledgment form should be sent by express mail:

**Manufacturer and vendor to:** Material Department, New MTD Facility ADMIN Building, P.O. Box 688, Al-Khafji Joint Operations, Al-Khafji 31971, Kingdom of Saudi Arabia

**Contractor to:** Contracts Department, Ground Floor, Office Park Building, P.O. Box 688, Al- Khafji Joint Operations, Al-Khafji 31971, Kingdom of Saudi Arabia

Potential or actual violations of this Code of Conduct and other ethical irregularities should be reported directly to The Audit Department by email, fax, or telephone as detailed on page 5 of this Form.

### **ACKNOWLEDGMENT**

I, on behalf of \_\_\_\_\_ hereby acknowledge and  
[the name of the vendor/manufacturer/contractor/sub-contractor]

agree to abide by the policies and principles of KJO's Supplier Code of Conduct and to ensure that the employees, officers, directors, agents, representatives of \_\_\_\_\_

[the name of the vendor/manufacturer/contractor/sub-contractor]

are aware of and shall abide by such policies and principles in the process of preparing and submitting bids and proposals for KJO work, for provision of goods and services to KJO, and during the performance and administration of all agreements entered into with KJO for such purposes.

Authorized Signatory Name: \_\_\_\_\_

Signature & Date: \_\_\_\_\_

Job Title: \_\_\_\_\_

SAP Vendor ID: \_\_\_\_\_

**Chamber of Commerce Authentication:**

Confidential



## KJO SUPPLIER CODE OF CONDUCT

### SCOPE

This Supplier Code of Conduct establishes a Policy for all current and potential KJO Suppliers. KJO Suppliers include vendors, manufacturers, contractors and sub-contractors who are registered with KJO and seeking to provide goods, services, or personnel (including consultants) to KJO or which are currently parties to agreements for such purposes with KJO or one of its contractors.

### INTENT

KJO is committed to conducting its business in an ethical, legal, safe, and environmentally and socially responsible manner. KJO requires each of its Suppliers to share and demonstrate this commitment and, therefore, has established this Supplier Code of Conduct. KJO requires its Suppliers to consistently meet the following requirements in order to be considered for, to do, or continue to do business with KJO.

### SUPPLIER CODE OF CONDUCT

#### Compliance with Laws, Codes, and Regulations

KJO Suppliers must comply with all applicable laws, codes, and regulations as set forth in applicable procurement documents and agreements (including but not limited to proposals, invitations to bid, solicitations, and resulting contractual and purchasing agreements).

#### 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 environmental protection policies and that they do not present unnecessary risks to the environment or public. KJO Suppliers shall maintain safe, sanitary, and healthy residential camp and living environments for all their employees.

Such compliance shall include, among 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.

Confidential



- 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.

### **Ethical Business Practices**

KJO and its Suppliers shall conduct their businesses in accordance with the highest standards of ethical behavior. Suppliers are expected to conform to these requirements in each of the following areas:

#### **Fair Trade Practices**

Suppliers shall not engage in collusive bidding, price discrimination, anti-competitive, antitrust, or other unfair trade practices.

#### **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.

#### **Relationships and Communications**

KJO Business Ethics Policy requires that all transactions are to be conducted fairly, honestly, and with integrity, according to the highest ethical standards. Abuse or violation of this Business Ethics Policy 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 KJO. KJO views it as a conflict of interest and improper business practice for current or former KJO employees to utilize any confidential or proprietary business, technical, or other information obtained while in the service of KJO.

to influence KJO's existing or proposed commercial transactions for the purpose of gaining a personal commercial advantage, or benefitting any third party, or to otherwise damage KJO, whether during or after leaving employment by KJO.

**Confidential**



Suppliers shall not encourage or utilize current or former KJO employees in any manner which would cause them to disclose or provide any confidential, proprietary, or other restricted information obtained while employed by KJO to influence KJO'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 services of, or allow acquisition of any ownership interest of the Supplier, except through a permitted passive investment, by any current KJO employee. This restriction shall also apply to any former employee who has held a position within KJO 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 KJO.

Suppliers may seek exceptions to these restrictions from KJO. Requests for such exceptions should be submitted in writing to Manager, Contracts Department for Service Procurement or Manager, Material Department for Material Procurement. KJO 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 KJO investigations and to provide reasonable assistance as requested.

#### **Bribery, Kickbacks and Fraud**

No funds, assets, services, privileges, or benefits shall be paid, rendered, loaned, or promised for payment or otherwise dispersed by Suppliers or their representatives as bribes, "kickbacks", or other payments or inducements designed to influence or compromise the judgment or conduct of KJO or its representatives.

#### **Gifts, Gratuities and Hospitality**

Suppliers and their personnel shall not offer or provide KJO or its personnel with gifts, gratuities, or hospitality unless it involves nominal value and is in line with customary business practices. Nominal gifts are described as gifts 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 KJO personnel which exceed nominal value or reasonable hospitality are reportable under internal KJO policies and regulations. Items which are made available to the general public do not fall under this Policy.

For the avoidance of any doubt, KJO pays for its employees' business expenses, Suppliers are not required or requested to incur or reimburse business expenses for KJO employees.

**Confidential**



## 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 reviews, 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 on or in support of KJO projects, jobs, contracts, agreements, and orders. Suppliers will be held responsible for the conduct and actions of their employees.

The implementation of this Policy is a shared responsibility between KJO and its suppliers. Suppliers are to promptly disclose to KJO, 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 KJO employees, related to any KJO procurement and contracts business. Suppliers are to cooperate with KJO in any inquiries or investigations pertaining to past, current, or potential instances of unethical or fraudulent behavior or conflicts of interest related to any KJO business activity.

Suppliers are to promptly notify KJO 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 of Conduct are to notify KJO.

Potential or actual violations of this Code of Conduct and other ethical irregularities are to be reported directly to the Audit Department (IAD) by email, fax, or telephone as follows:

|        |                     |
|--------|---------------------|
| Email: | iadadmin@kjo.com.sa |
| Phone  | +966-13-7655336     |

Suppliers shall maintain appropriate records to substantiate compliance with the terms and conditions of this Code of Conduct and provide such evidence to KJO upon request. KJO 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 KJO. A Supplier performance assessment will be

**Confidential**



used by KJO as a factor in the selection of bidders, the administration of contracts and procurements, or to possibly restrict Supplier access to new KJO business opportunities.

Based on the assessment of information made available to KJO, KJO 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 which KJO has found to be in violation of this Supplier Code of Conduct, without liability.

### **Confidentiality**

As part of the process of seeking to provide goods, services, or personnel (including consultants) to KJO or in providing such goods, services, or personnel under the terms of an applicable Agreement, Suppliers may gain access to information or material which KJO 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 KJO and the Supplier. KJO 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 KJO has found to have violated its obligations of confidentiality.

All advertising, press releases, or printed matter that reference KJO or a Supplier's relationship with KJO must be approved by the KJO Public Relations Department prior to publication or other use.

### **Application**

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

\*\*\*\*\*

**Confidential**