

Supplier Code of Conduct Document

For external entities supporting the

Saudi Water Authority

Introduction

As a government entity, we at the Saudi Water Authority (SWA) are committed to driving institutional and human progress in the Kingdom of Saudi Arabia. Therefore, we always strive to maintain the sustainability of our operations, enhance the health and well-being of the local community, and improve the quality of life. Additionally, we focus on environmental protection, economic development, and the care of our human resources and their rights. We also respect the rights of external entities that support us in service, logistics, and provide the materials and products necessary for our projects, such as suppliers and business partners.

And because we recognize the importance of our existence as a government entity, we always strive to enhance our commitment to achieving positive results in everything we do, while adhering to the laws and regulations of the Kingdom of Saudi Arabia, as well as complying with the requirements of Vision 2030, its programs, and initiatives. Additionally, we are committed to the United Nations Guiding Principles on Business and Human Rights and aligning our due diligence processes with them. As an entity that has adopted the Sustainable Development Goals (SDGs) 2030 and worked to achieve their requirements and objectives on the ground, our attention to implementing these goals is no less important than what we do to serve our environment and community.

Accordingly, we expect our approved suppliers to assist us in fulfilling our commitment to maintain the authority's supply chain; to keep it responsible and environmentally friendly. We will appreciate their dealing with our employees transparently within the frameworks of ethics, integrity, and sustainable work.

Purpose of this Document

This document outlines our requirements and expectations for the relationship with suppliers; to enhance areas related to human rights, the environment, and the responsible sourcing of raw and manufactured materials that meet our institutional needs, and to regulate practices and tenders in the legally approved manner with all suppliers without exception, discrimination, or bias; to regulate contractual relationships between us as a government entity and local or international suppliers, in accordance with the regulatory frameworks followed in the Kingdom, the international treaties ratified, and the internal regulations of the Saudi Water Authority as a government entity subject to oversight.

In this context, it is essential to know that the authority is committed to conducting its business ethically, relying on transparency, fairness, and credibility in its dealings with others, and within its responsibilities to protect the environment, society, and economy, and to meet the requirements of its stakeholders. Therefore, this document has been drafted to activate similar commitments for all suppliers and business partners to comply with the code of conduct adopted by the authority, clarifying our sustainable institutional approach, and given our interest in establishing long-term relationships with suppliers to maintain our effective economic role.

Who is The Supplier?

The supplier is one of the key parties in the supply chain of the Saudi Water Authority. The supplier can be an entity, a person, or a company that provides products, whether raw materials, finished goods, or services from one company to another, or from one economic and commercial entity to another within the production process. Can also be a person who connects different commercial entities to facilitate the exchange of goods and products as an intermediary to complete supply operations, while adhering to the quality of those products and ensuring they meet the agreed-upon specifications.

Accordingly, our list of suppliers includes service providers, traders, manufacturers, and contractors, including those who work as subcontractors, whether they are registered with us or new (potential) suppliers, to provide services or products, or to supply the authority with personnel such as experts and consultants, for example.

Note: The name "Saudi Water Authority" in our blogs includes any entities currently under its authority and in the future.

The importance of the supplier to the authority

The supplier is one of the main external entities supporting our business, and it plays an effective role in alleviating the burdens related to providing the necessary services or products for our business continuity.

Policies and procedures

Suppliers must adhere to all the authority's policies required in this document, and any policy or procedure announced in the future, comply with them, and not exceed them; therefore, **they are required to commit to the following:**

- 1 .Reporting any breach in the contractual relationship, such as non-compliance with laws or exceeding them, with the necessity of transparent reporting after confirming the existence of the breach.
2. Adherence to the internal regulations and codes of conduct specified by the authority in this document, or any future amendments to them.

Human Rights Protection

We treat our workforce with fairness, humanity, and respect, and we expect our suppliers to do the same, with the emphasis **on the following points:**

1. Not employing or using children in any form, under any circumstances.
2. Meeting the minimum age for work in any area they operate in, with a ban on employing anyone under the age of 18.
3. Suppliers must protect the rights of their workers.
4. Suppliers must not allow forced, compulsory, or arbitrary disciplinary practices against any of their workers, nor use forced labor, dubious contracting, or labor exploitation.
5. Suppliers must not allow their officials to treat any of their workers or clients with cruelty or physical or psychological humiliation, and must not allow them to confiscate, destroy, or hide their workers' passports or other government-issued identity documents.



6. We comply with the regulations in force in the Kingdom of Saudi Arabia, and we expect our suppliers to do the same, especially regarding the organization of working hours, the calculation of overtime, and the provision of fair compensation and benefits for workers, including adherence to the maximum working hours and rest periods.

7. We do not tolerate harassment or discrimination of any kind; therefore, our suppliers must not allow harassment or discrimination based on race, color, religion, age, gender, or any other factors covered by the system. Therefore, we expect our suppliers to support diversity, promote gender equality, and establish working relationships based on the principle of equal opportunity.

Providing a Healthy and Safe Work Environment for Employees

Because we care about health and occupational safety, we expect our suppliers to work in a safe and productive work environment **by providing the following requirements:**

1. Creating a work environment that complies with national standards and adhering to health and occupational safety regulations.

2. Conducting regular risk assessments, developing potential precautionary scenarios for prevention, and reducing risks in the workplace, especially concerning our industrial suppliers, and the risks arising from their work, which may be mechanical, electrical, chemical, physical, or otherwise.

3. Providing regular training on health and occupational safety requirements for workers, and providing the necessary personal protective equipment to protect them during work. (PPE).

4. Implement an effective fire safety management system and establish an emergency plan at all supplier work sites to protect its workers and visitors by providing safe emergency exits, adopting clearly defined and unobstructed evacuation routes, and ensuring the availability of first aid supplies and necessary medical assistance when needed.

5. Preparing clean sanitary facilities for workers, providing potable water, and keeping their accommodations clean and safe.

Accordingly, the authority expects its suppliers to commit to maintaining a health and safety management system; to reduce workers' exposure to risks, and to promote the continuous improvement of working conditions, health, and occupational safety, and to obtain licenses and technical certificates that ensure compliance with occupational health and safety requirements.



Environmental Protection

We believe that access to a healthy and clean environment is a fundamental human right. Therefore, we are committed to preserving the environment for current and future generations. This means that our suppliers must recognize that they play an important role in helping the organization reduce its collective environmental footprint and support environmental responsibility in all their operations when dealing with our various departments. In compliance with sustainable procurement requirements, they must undergo the supplier environmental assessment through:

- 1.Compliance with all national, regional, and international legislations ratified by the Kingdom, including relevant environmental and chemical regulations, in addition to implementing the requirements of the internal environmental authority.
- 2.All suppliers of the authority must operate according to the approved environmental management system (ISO 14001), or any environmental certification they can obtain from an accredited third party, ensure they obtain the necessary environmental licenses from regulatory authorities, and provide the authority with valid environmental qualification certificates before commencing work.
- 3.We encourage our suppliers to work on reducing the impact of their operations on the climate by adopting sustainable transportation in accordance with the United Nations Framework Convention on Climate Change (Paris, 2015), and setting practical goals to limit greenhouse gas emissions.
- 4.We encourage our suppliers to use recycled or renewable materials, including those used in packaging processes, to minimize the handling of concerning materials - including hazardous substances - and to work on improving the recyclability of the Authority's expired products, as well as selecting appropriate materials, products, and designs for this process.
- 5.Achieving continuous environmental improvement in manufacturing processes through reducing emissions, increasing energy efficiency, and using renewable energy.
- 6.Contributing to improving the ecosystem, reducing waste, and recycling it, or working on recycling it in collaboration with specialized companies to turn it into products.
- 7.Supporting safe drinking water that is accessible in manufacturing processes, and handling the wastewater by recycling it or disposing of it within environmental protection limits, such as irrigating crops when the water is free from industrial and harmful chemical impurities.

Accordingly, the authority expects its suppliers to improve operational performance, set more comprehensive goals, and monitor the environmental performance indicators of their operations.

Dealing with Environmentally Friendly Raw Materials

The authority aspires to obtain raw materials that are produced responsibly, prioritizing environmentally friendly raw materials. Suppliers are required to provide full support for the authority's requirements, including the ability to trace their raw material supply chain to ensure that the supplied materials have been handled responsibly and in accordance with the authority's policy of acquiring environmentally friendly materials. Additionally, necessary measures should be taken regarding the chemicals present with the authority that it wishes to dispose of.

Ethics

The authority is committed to dealing with suppliers transparently, and accordingly, this document has been issued to emphasize the necessity for everyone involved in the supply chain to adhere to the following points:

1. Exercise caution when dealing with government officials, and avoid actions that may seem inappropriate or raise concerns about bribery or disrespect.
2. Accurately recording business expenses and not concealing the true nature of the expenditures.
3. Reporting any internal violations that occur within the scope of our work or departments; to take the necessary measures to protect the organization from any violations related to ethics and integrity.

Cybersecurity

We recognize that our suppliers have become aware of the importance of cybersecurity because they deal with data and electronic information on a daily basis. Therefore, we hope that they will implement the following to maintain our cybersecurity:

1. Acting transparently and ethically regarding the use of personal identification information, and not linking it to suspicious websites.
2. Preserving the intellectual property of the Saudi Water Authority and its data.
3. Avoid using information that identifies the personal identity of any of our employees, or any of our departments in a manner that does not align with cybersecurity, and in a manner that does not comply with the laws and regulations in force in the Kingdom.
4. Managing their internal computing environment and protecting it properly using appropriate technical and organizational data security controls.
5. Report all cybersecurity incidents that may affect the supplier's computing environment within 24 hours of becoming aware of the incident, and send the details to the following email: info@swcc.gov.sa, or contact the following number: (966114631111).



Qualification and Eligibility

The supplier is obligated to provide the information and documents that demonstrate their financial, technical, and administrative capabilities whenever required and is considered responsible for its accuracy, and commits to it, and bears the legal responsibility resulting from providing incorrect data. The authority has the right to take the measures it deems appropriate to verify this. Additionally, the authority, without prejudice to the provisions related to the confidentiality of information, has the right to request clarifications or documents from the supplier or any other entity related to the information to support that information.

Compliance with commercial regulations

Our approved suppliers must comply with all applicable commercial laws in the Kingdom of Saudi Arabia regarding the products and services provided to the authority, and they must also consider the following points:

1. Not engaging in any direct or indirect commercial activity with countries, regions, entities, individuals, or sectors that may harm the interests of the Kingdom.
2. Compliance with all applicable commercial regulations in the Kingdom and adherence to the requirements outlined in the customs operations work rules.
3. Compliance with the applicable value-added tax system in the Kingdom, and confirming this by providing the tax number to the supplier to our relevant department as per the system.

Compliance with Code of Conduct

All suppliers of the authority must comply with the supplier code of conduct and aim to prevent problems in all matters related to supply, starting with adherence to the agreed-upon quality and ending with delivery schedules, and proving compliance upon request.

Although our goal is to develop our supply chain to be stronger and more sustainable, in the event that a supplier fails to comply with these rules, we reserve the right to seek alternative sourcing options. Therefore, to activate and document compliance, we expect our suppliers to do the following:

1. Appointment of an authorized (executive/supervisory) officer to be responsible for oversight, governance, execution, and compliance during the supply period.
2. The supplier must handle the surveys issued by the authority (upon request), which are sent for the purpose of improvement, or to survey the supply chain, or any evaluations that the relevant departments wish to conduct, to support the directions they deem necessary for the development process.



Our Commitments to Suppliers

As previously clarified that this document has been made available to suppliers and all stakeholders for their review and compliance. Our interest in generalizing these conduct rules derived to maintain our strong relationship with our suppliers who provide us with the requirements to succeed in our business; therefore, we commit **to them the following:**

1. Providing an effective means for complaints and suggestions, and establishing mechanisms for operational-level grievances that can be easily accessed by employees, suppliers, and the public.
- 2 .When a case of non-compliance is confirmed, the authority commits to providing appropriate methods fairly and transparently, ensuring that the reasons are addressed properly.
3. We handle all cases of reporting violations and suspected concerns with transparency, including concerns related to the integrity of institutional procedures regarding the product journey, which begins with the supplier's approval to supply, followed by the issuance of the purchase order, and ends with the receipt of the final invoice, and then the full disbursement of their dues.
4. The authority pledges that it will not tolerate any retaliation against its suppliers (by anyone) due to good-faith reports it receives about unethical or illegal behavior by any of its employees. If the report or complaint is confirmed to be true, the established institutional procedures will be followed, and the relevant committee will refer the case to the competent authorities to address any suspicious transactions related to corruption.

Assets and Confidentiality of Information

Suppliers must protect the Authority's assets and information. Those granted access to the Authority's assets and who sign a Non-Disclosure Agreement (NDA) - whether tangible or intangible - must use them only within the scope of the permission granted by the Authority. Suppliers granted access to the Authority's confidential information must not share this information with anyone - unless authorized by the Authority.



Conflict of Interest

There should be no conflict of interest between suppliers and the authority, and the supplier must ensure not to use any personal relationship with any employee of the authority. If the supplier has a relationship with someone working in the authority that may represent a conflict of interest, the supplier must disclose it immediately. Suppliers must disclose any information related to their business activities, organizational structure, financial status, legal issues, and performance in accordance with applicable laws, regulations, and prevailing practices.



Approval and Ratification of what was stated in the methodology

I, the undersigned, am authorized to sign on behalf of:

Supplier name.....

I pledge that I have reviewed the Supplier Code of Conduct document, fully understood it, and will comply with it. I also confirm that: () agrees to adhere to this document and its behavioral rules.

Company/Organization name:

Name of the representative:

The position of the representative:

Date of ratification: / /

Signature:.....