



United Carton Industries Co.
PUR Department

Operational Procedure Manual		Procedure No:	UCIC-PUR-WI018
Issue No:	01	Issue Date:	1 ST April, 2017
		Review Date:	31 ST December, 2019
Procedure Title:	Responsible Sourcing Policy		
Approved By:	Ali Jariwala (VP Supply Chain)	Issued By:	Nishant Nischal (Purchase Manager)
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1- Why Responsible Sourcing

Our business ambition is to double the size of the company whilst reducing our environmental footprint and increasing our positive social impact. To achieve this, our suppliers play a critical role in helping us to source responsibly. We apply the same principles and benchmarks to our suppliers as to our own company. This Responsible Sourcing Policy is our way of informing our suppliers of what we expect today and in the future.

This Responsible Sourcing Policy embodies our commitment to conduct business with integrity, openness, and respect for universal human rights and core labor principles throughout our operations. We aim to improve the lives of workers, their communities and the environment consistent with the UCIC Sustainable Living Plan. This Policy provides the framework through which we set out our responsible sourcing ambitions and approach.

We will only work with suppliers who share our values and comply with our Responsible Sourcing Policy. They must also agree to ensure transparency, to remedy any shortcomings, and to drive continuous improvement under the Fundamental Principles that create the foundations to this Policy. While we expect our suppliers to fulfil the Mandatory Requirements, we also aim to recognize suppliers who make committed progress towards the best practices of responsible sourcing as embodied in the Continuous Improvement Benchmarks provided.

Our Responsible Sourcing Policy specifies requirements, establishes milestones and provides benchmarks for each component of the Fundamental Principles.



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2- UCIC Principles

Across UCIC we’ve set industry leading benchmarks for responsible sourcing to deliver on our commitment to sustainable growth. We have embedded these standards into every element of our business, and we want to invite our suppliers to partner us in achieving equally robust sustainability principles.

The Fundamental Principles that create the foundation of our Responsible Sourcing Policy are grounded in internationally recognized standards. We endorse the UN Guiding Principles on Business and Human Rights and are embedding them throughout our operations. In line with the Fundamental Principles, we base our Human Rights commitment on the International Bill of Human Rights consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights; and the International Labor Organization’s fundamental conventions on Rights at Work. We support the OECD Guidelines for Multinational Enterprises.

3- The Fundamental Principles are:

3.1 Business is conducted lawfully and with integrity

3.1.1 Bribery

There is a prohibition of any and all forms of bribery, corruption, extortion or embezzlement and there are adequate procedures in place to prevent bribery in all commercial dealings undertaken by the supplier.

Supplier must conduct business with integrity and in full compliance with the law. Supplier must not give, agree to give, offer, anything of value to influence the behavior of buyer. Suppliers are expected to respect and comply with our policy on gifts, entertainment, and gratuities. UCIC generally prohibits receiving gifts, entertainment or other gratuities from people with whom UCIC does business and is not acceptable, because doing so could imply an obligation on the part of the company and potentially pose a conflict of interest

We encourage suppliers and their employees working on UCIC business to report any violation of UCIC Policy. Report can be made to UCIC Management directly by any of the following means:



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3.1.2 *Conflicts of Interest*

All and any conflict of interest in any business dealings with UCIC, of which the supplier is aware, will be declared to UCIC to allow UCIC the opportunity to take appropriate action. Any ownership or beneficial interest in a supplier's business by a government official, representative of a political party or a UCIC employee is declared to UCIC prior to any business relationship with UCIC being entered into.

3.1.3 *Gifts, Hospitality and Entertainment*

Any business entertaining or hospitality with UCIC is kept reasonable in nature, entirely for the purpose of maintaining good business relations and not intended to influence in any way UCIC's decisions about how UCIC awards future business. Gift giving between supplier's employees and UCIC's employees is avoided. Official company to company gift exchanges are acceptable but must be transparent and properly recorded.

3.1.4 *Competition and Competitor Information*

All information about UCIC's competitors is obtained legitimately and will only be used for legitimate purposes in compliance with all relevant anti-trust and other laws and regulations. No attempt is made at any time to divulge to UCIC any information about UCIC's competitors that is confidential to them and not in the public domain.

3.1.5 *Financial Records, Money Laundering and Insider Trading*

All business and commercial dealings are transparently performed and accurately recorded in the supplier's books and records. There is no actual or attempted participation in money laundering. No confidential information in the supplier's possession regarding UCIC is used to either engage in or support insider trading. In compliance with Saudi Financial Law and UCIC standards a specific way of monetary dealings is mandatory.

3.1.6 *Safeguarding Information and Property*

UCIC's confidential information, know-how and intellectual property is respected and safeguarded. All information provided by UCIC is only used for its intended and designated



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purpose. All and any personal information about individuals, such as UCIC’s consumers or employees are handled with full respect for the protection of their privacy and for all relevant privacy laws and regulations.

Product Quality and Responsible Innovation, Products and services are delivered to meet the specifications and quality and safety criteria specified in the relevant contract documents and are safe for their intended use. Research and development are conducted responsibly and based on good clinical practice, and generally accepted scientific, technological and ethical principles.

3.1.7 *Compliance with Laws*

All laws and regulations are complied with in the countries in which the supplier operates. All other applicable international laws and regulations are complied with including those relating to international trade (such as those relating to sanctions, export controls and reporting obligations), data protection and anti-trust/competition laws.

3.1.8 *Reporting Concerns and Non-retaliation*

Employees are provided with means by which to raise their concerns about any of these requirements and all employees who speak out about an issue are protected from retaliation.

3.1.9 *Implementing Mandatory Requirements*

- 3.1.9.1 Clear and effective guidelines and policies are in place describing business integrity expectations relating to anti-bribery, gifts and hospitality. They comply with competition laws and conflicts of interest and they are readily available to the supplier’s employees.
- 3.1.9.2 Annual training and risk assessment mechanisms for compliance issues are in place. Non-compliance is subject to sanctioning and remedial procedures.
- 3.1.9.3 Adequate financial transaction policies and procedures are maintained to ensure proper recording of all financial transactions, as well as to identify possible money laundering. No undisclosed or unrecorded account, fund or asset will be established or maintained.



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- 3.1.9.4 Adequate procedures and mechanisms are in place to ensure that all confidential information, whether business or product related, is safely stored with limited access rights on a need-to-know basis only.
- 3.1.9.5 All collections are received in company's bank accounts either through bank transfer or account payee cheque. Cash transaction are least and often non-recurring for which there is a defined protocol for cash collection and deposit to bank with adequate insurance coverages
- 3.1.9.6 Even for such minimum transactions, Point of Sales is established (being installed) to further reduce the same.
- 3.1.9.7 All payments are made directly to supplier's accounts through bank transfers.
- 3.1.9.8 All payments are jointly signed as per authorization matrix approved by the Board.
- 3.1.9.9 Any employee payments are made in their designated local (within KSA) bank account, after approval from concerned Managers in HR and Finance as per the authorization matrix.
- 3.1.9.10 All records in finance are kept appropriately with no access to third parties as the room is not left empty or unlocked. Individual users have access based on the authorization matrix defined for such users relevant to their respective areas.
- 3.1.9.11 The company does not perform transactions (receipts / payments) on behalf of suppliers, customers or employees.
- 3.1.9.12 Adequate procedures are in place to ensure that any product quality or safety concerns originating from the supplier or its supply chain are immediately notified to UCIC.



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- 3.1.9.13 Adequate procedures are in place to ensure that all applicable laws and regulations are complied with by the supplier and its employees. This includes complying with the applicable laws, rules and regulations relating to conflict minerals originating from the Democratic Republic of Congo or any other specified countries and maintaining adequate due diligence and disclosure procedures to identify and disclose whether the supplier has used conflict minerals and whether any minerals used are conflict free.
- 3.1.9.14 Employees have a channel through which they can raise concerns without fear of retaliation.
- 3.1.9.15 Guidelines and policies covering each of the different elements of this Responsible Sourcing Policy are in place and readily available to employees. There are procedures to communicate, monitor and measure such policies. Preventive and remedial measures are taken to address adverse impacts that are directly linked to the supplier's operations, products or through business relationships.
- 3.1.9.16 The supplier has in place a code of conduct or responsible sourcing policy for its direct suppliers, which is consistent with the requirements of this Responsible Sourcing Policy. In addition, there is a process to communicate the requirements of the supplier's code or policy to all of its direct suppliers and to monitor compliance by these direct suppliers.
- 3.1.9.17 Regular reviews are conducted to verify compliance with the relevant guidelines and policies by employees.
- 3.1.9.18 Regular training and communications are provided to employees in relation to integrity and compliance.
- 3.1.9.19 Suppliers' executive management is held accountable for compliance matters.
- 3.1.9.20 Employees have multiple grievance channels available to them, including by phone or by web.



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3.1.10 *Achieving and Maintaining Best Practice*

Additional policies and processes are developed in consultation with relevant stakeholders to (i) ensure all relevant risks of non-compliance with laws are addressed; (ii) cover organizational responsibility for the implementation of such policies by the board of directors or equivalent body; (iii) extend training in relation to compliance issues to contractors and suppliers as appropriate; (iv) establish feedback mechanisms to support continuous improvement; and (v) enable independent assurance.

Anonymity of persons reporting a concern is protected to the extent permitted by law. Suppliers' suppliers are able to raise concerns anonymously.

3.2 Work is conducted on the basis of freely agreed and documented terms of employment:

Policies are adopted and adhered to that respect workers, permanent and casual and, at a minimum, safeguard their rights under their employment contract, local, national labor and social security laws and regulations, and applicable collective agreements.

3.2.1 *Implementing Mandatory Requirements*

- 3.2.1.1 The key components of the employer/ worker relationship such as hours, overtime, pay, benefits, leave, disciplinary and grievance systems are (i) freely agreed by both parties (ii) documented in writing and (iii) signed by the employer and worker.
- 3.2.1.2 The terms and conditions are clearly understood by the worker and are explained verbally if required in a language she or he can understand.
- 3.2.1.3 Changes are agreed in writing by both employer and worker.



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3.2.2 Advancing to Good Practice

- 3.2.2.1 Key management functions such as hiring, grievances, discipline, promotion and termination have clear policy frameworks, procedures for implementation and trained staff responsible for implementing them. Appropriate documentation is kept.
- 3.2.2.2 These policies and procedures are explained to workers upon hiring, contained in a workers' manual and workers are trained to understand and use them.
- 3.2.2.3 On-going training practices are provided for all categories of workers to raise and broaden their skills to enable them to advance in their employment.

3.2.3 Achieving and Maintaining Best Practice



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- 3.2.3.1 There is a clear and transparent system of worker and management communication that enables workers to consult and have an effective dialogue with management.
- 3.2.3.2 Short-term, casual or agency workers are regularized where the work involved is clearly of a regular nature and is required all year round.
- 3.2.3.3 These employment relation policies and procedures are reviewed periodically and any necessary improvements are made to ensure that all categories of workers, regardless of contract status, have the same rights and entitlements at work. Special attention is paid to short-term, casual and agency workers and to vulnerable groups such as women, migrants, the disabled, legal young workers and interns/trainees to ensure such workers have exactly the same entitlements as full time local employees.
- 3.2.3.4 The Human Resources function ensures legal compliance throughout the employment relationship and develops, motivates, recognizes and rewards workers and engages in social dialogue.

3.3 All workers are treated equally and with respect and dignity

All workers are treated with respect and dignity. No worker is subject to any physical, sexual, psychological, verbal harassment, abuse or other form of intimidation. There is no discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement. Discrimination based on caste, national origin, ethnicity, religion, age, disability, gender, marital status, sexual orientation, union membership, political affiliation, health, disability or pregnancy is prevented. In particular, attention is paid to the rights of workers most vulnerable to discrimination.

3.3.1 Implementing Mandatory Requirements



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3.3.1.1 Policies that prohibit discrimination of any form on the basis of caste, national origin, ethnicity, religion, age, disability, gender, marital status, sexual orientation, union membership, political affiliation, health, disability or pregnancy are in place, and procedures to implement them.

3.3.1.2 Pregnancy testing or other forms of health screening that might result in discrimination are not tolerated.

3.3.2 Advancing to Good Practice

3.3.2.1 Selection criteria for all human resource decisions are objective and transparent and controls are in place to prevent arbitrary decisions.

3.3.2.2 Staff members responsible for hiring, paying, training, promoting, disciplining and terminating workers are trained to avoid discrimination in the exercise of their duties.

3.3.2.3 All workers and their managers are trained to recognize and prevent harassment, abuse and other forms of intimidation.

3.3.2.4 Managers, frontline administrators, production staff, quality controllers and guards are trained to avoid discrimination.

3.3.3 Achieving and Maintaining Best Practice



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- 3.3.3.1 Human Resources records are kept and data analyzed to ensure that equality is achieved in practice.
- 3.3.3.2 Regular assessments are conducted and any gaps or shortcomings identified are addressed through an action plan with measurable outcomes.
- 3.3.3.3 Specific and measurable targets for achieving equality between men and women are set and affirmative action is taken to attain them.
- 3.3.3.4 Programs addressing the needs of the most vulnerable workers, such as flexible time options, child and dependent care and mentoring programs are in place.

3.4 Work is conducted on a voluntary basis

Forced labor, whether in the form of indentured labor, bonded labor or other forms, is not acceptable. Mental and physical coercion, slavery and human trafficking are prohibited.

3.4.1 Implementing Mandatory Requirements

- 3.4.1.1 There are hiring policies, procedures and trained staff to ensure that workers are entering into employment freely and equally and that they are never prevented from leaving if they so wish.
- 3.4.1.2 Workers have freedom of movement and are not confined to the supplier's premises.



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3.4.1.3 Workers are not required to surrender their identification papers. Where the retention of identification papers is legally required, arrangements are made to ensure that workers can access their identification papers, are not prevented from leaving the workplace and that their papers are returned immediately upon cessation of employment.

3.4.1.4 Suppliers shall ensure that contracts are in a language understood by the worker.

3.4.2 Advancing to Good Practice

3.4.2.1 To the extent possible workers are hired directly and transparently, or only through recruitment agencies that have developed policies and strategies to combat trafficking and forced labor.

3.4.2.2 Workers should not be required to pay a fee in connection with obtaining employment (including migrant workers or workers recruited supplied through an agency). Suppliers should be responsible for payment of all fees and expenses. Workers are not required to pay deposits in relation to their employment.

3.4.2.3 Voluntary prison labor may be used when prisoners are being rehabilitated or trained in preparation for release and where their terms and conditions of employment are similar to those in the open labor market.

3.4.3 Achieving and Maintaining Best Practice

3.4.3.1 Recruitment of migrants includes full transparency about terms, conditions and any employment costs and the migrants are informed about the labor laws applicable in the place of work prior to granting their written consent.

3.4.3.2 Policies, procedures and training are regularly reviewed to ensure that they are effective in preventing forced labor.



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3.5 All workers are of an appropriate age

Under no circumstances will a supplier employ worker under the age of 15 or under the minimum age for work or mandatory schooling as specified by the local law, whichever is higher. When young workers are employed they must not do work that is mentally, physically, socially or morally dangerous or harmful or interferes with their schooling by depriving them of the opportunity to attend school.

3.5.1 Implementing Mandatory Requirements

- 3.5.1.1 An employment policy is in place specifying the minimum age for employment, together with effective procedures and means of age verification to implement this policy.
- 3.5.1.2 Responsible remedial measures are immediately implemented whenever any breach of that policy is identified.
- 3.5.1.3 In all circumstances the health and safety of young workers is considered and protected. This protection should preclude them from certain types of work such as hazardous or night work and requires extra care and commitment.
- 3.5.1.4 The goals and requirements set out in the International Labor Organization Worst Forms of Child Labor Conventions are met.
- 3.5.1.5 The goals and requirements set out in the International Labor Organization Minimum Age Convention are met including those regarding minimum age, appropriate types of work for young workers, hours of work, health and education concerns.

3.5.2 Advancing to Good Practice



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3.5.2.1 All relevant supervisors are trained to respect the provisions for young workers, apprentices and interns, especially with respect to hours of work, night shifts, weekend work and heavy or dangerous work.

3.5.2.2 Periodic health screening to juvenile workers, apprentices and interns is provided.

3.5.3 *Achieving and Maintaining Best Practice*

3.5.3.1 For any adverse impact on children's rights beyond those stipulated by law (such as but not limited to children's rights to care, protection, education and development) caused or contributed to by the supplier, remedial action through legitimate processes is provided by the supplier, or it co-operates with such action.

3.5.3.2 The effectiveness of the supplier's system is regularly monitored to prevent the hiring of minors and to check the adequacy of efforts to protect children's rights.

3.6 All workers are paid fair wages

Workers are provided with a total compensation package that includes wages, overtime pay, benefits and paid leave which meets or exceeds the legal minimum standards or appropriate prevailing industry standards, whichever is higher, and compensation terms established by legally binding collective bargaining agreements are implemented and adhered to.

3.6.1 *Implementing Mandatory Requirements*

3.6.1.1 Workers receive a payslip for each pay period clearly indicating the components of the compensation, including exact amounts for wages, benefits, incentives/bonuses and any deductions.

3.6.1.2 Wages are paid on time and in full.



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- 3.6.1.3 All work is compensated according to at least the legal minimum standards or the appropriate prevailing industry standards, whichever is the higher, including that of interns/students receiving academic credit for their work.
- 3.6.1.4 The compensation terms established by legally binding collective bargaining agreements are implemented and adhered to.
- 3.6.1.5 All legally mandated deductions' such as taxes or social insurance, are deposited each pay period to the legally stipulated accounts or agencies and as required by law.
- 3.6.1.6 Other than legally mandated deductions, all other deductions from wages are made only with the express and written consent of the workers.

3.6.2 Advancing to Good Practice

- 3.6.2.1 Migrant workers' remittances are authorized in writing.
- 3.6.2.2 There is a system of periodic assessment in place to ensure equal pay for equal work.
- 3.6.2.3 There is a living wage approach to fair compensation which encompasses a system to periodically assess that wages are sufficient to meet the basic needs of the worker and to provide some discretionary income.

3.6.3 Achieving and Maintaining Best Practice

A best practice fair compensation system is in place for all workers. This system categorizes workers according to qualifications, skill and experience; recognizes and rewards them for performance through wage and non-wage benefits/incentives; regularly assesses and adjusts their pay according to the cost of living, basic needs, discretionary income, relevant market benchmarks and enterprise performance and engages in regular social dialogue on compensation questions.



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3.7 Working hours for all workers are reasonable

Workers are not required to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. All overtime work by workers is on a voluntary basis.

3.7.1 *Implementing Mandatory Requirements*

- 3.7.1.1 Clear policies are implemented regarding regular and overtime hours of work, with defined procedures for deciding on overtime and securing worker consent.
- 3.7.1.2 Workers are entitled to at least 24 consecutive hours of rest in every seven-day period. If workers are required to work on a rest day due to a genuine need for continuity of production or service, workers must receive an equivalent period of compensatory rest immediately following.
- 3.7.1.3 If the employment contract allows for contractual overtime, workers expressly agree to it. All overtime work by workers is on a voluntary basis.
- 3.7.1.4 All overtime work is paid at least to the rate defined by law.

3.7.2 *Advancing to Good Practice*



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- 3.7.2.1 All overtime work is paid at the appropriate premium rate according to law or to prevailing industry standards, whichever is the higher, and there is an effective mechanism to monitor hours of work.
- 3.7.2.2 Peak periods are planned in such a way as to avoid excessive overtime. Overtime is not used for extended periods as a means of making up for labor shortages or increased order volumes.
- 3.7.2.3 If sufficient workers cannot be hired, new working time arrangements are explored to ensure that overtime is the exception rather than the rule.
- 3.7.2.4 The goals and requirements set out in the International Labor Organization Conventions on hours of work and overtime are met so that the regular workweek does not exceed 48 hours, and overtime does not exceed 12 hours. Other than in exceptional circumstances, the sum of regular and overtime hours in a week does not exceed 60 hours.

3.7.3 *Achieving and Maintaining Best Practice*

- 3.7.3.1 Work-study, costing and scheduling systems are in place that plan production in such a way as to avoid overtime, except in exceptional circumstances.
- 3.7.3.2 Working time arrangements allow for work-life balance.

3.8 All workers are free to exercise their right to form and/or join trade unions or to refrain from doing so and to bargain collectively

The rights of workers to freedom of association and collective bargaining are recognized and respected. Workers are not intimidated or harassed in the exercise of their right to join or refrain from joining any organization.



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3.8.1 *Implementing Mandatory Requirements*

- 3.8.1.1 Managers, supervisors and guards are trained to respect each workers' right to associate freely.
- 3.8.1.2 Collective bargaining negotiations are entered into when requested by legally recognized representative agents and collective agreements concluded.
- 3.8.1.3 Workers know and understand their rights, feel confident to exercise them and that no other worker or manager will impede them in the enjoyment of that right.

3.8.2 *Advancing to Good Practice*

- 3.8.2.1 Clear policies, procedures and training of workers and managers to ensure freedom of association in day-to-day operations are in place.
- 3.8.2.2 Policies covering hiring, discipline, promotion, wages, hours, grievances and termination all clarify that a worker's choice to form or join a trade union will not compromise their equal treatment at work.
- 3.8.2.3 Clear rules governing the activities of recognized trade unions in the workplace are in place.

3.9 Workers' health and safety are protected at work

A healthy and safe workplace is provided to prevent accidents and injury arising out of, linked with, or occurring in the course of work or as a result of the employer's operations.

3.9.1 *Implementing Mandatory Requirements*



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3.9.1.1 Clear and effective policies and procedures are in place for occupational health and safety and are updated periodically.

3.9.1.2 Occupational health and safety policies and procedures are widely communicated.

3.9.1.3 All workers and other people who enter business premises are properly informed about the inherent dangers of the workplace and are provided with adequate knowledge and personal protective equipment to avoid such dangers.

3.9.1.4 All personnel who enter the premises or deal with products are properly informed about the appropriate actions to take should a health and safety incident occur.

3.9.2 *Advancing to Good Practice*

3.9.2.1 Occupational health and safety policies and procedures are included in the workers' manual.

3.9.2.2 On-going safety training is provided to all personnel, including managers, supervisors, workers and security guards.

3.9.2.3 The structural integrity and fire safety of worksites are specifically assessed and updated periodically.

3.9.2.4 Occupational health and safety committees are created and their roles are clearly understood by all workers and managers.

3.9.3 *Achieving and Maintaining Best Practice*

3.9.3.1 Regular assessments are conducted to ensure the meaningful operation of the health and safety committees.



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3.9.3.2 Risk assessments are conducted regularly and systems updated to reflect the changing risk profile of the workplace.

3.9.3.3 Regular assessments are conducted of the risk to the surrounding ecosystem of exposure to hazardous substances and steps are taken to manage any risks identified.

3.10 Workers have access to fair procedures and remedies

Workers are provided with transparent, fair and confidential procedures that result in swift, unbiased and fair resolution of difficulties which may arise as part of their working relationship.

3.10.1 Implementing Mandatory Requirements

3.10.1.1 Procedures (i) provide effective, accessible channels for workers to complain, make suggestions and lodge grievances and (ii) require the matter to be fully investigated, and result in swift, unbiased and fair resolution.

3.10.1.2 Grievance mechanisms channels are widely communicated and guarantee the confidentiality of any complainant (if so desired) and prohibit retaliation.

3.10.2 Advancing to Good Practice

3.10.2.1 Grievance mechanisms are included in the workers' manual.

3.10.2.2 All workers and managers are trained on the policy and procedures for the handling of complaints and grievances. Workers are confident that any complaint is handled objectively and fairly.

3.10.2.3 Specific measures exist to protect complainants against victimization. All managers are trained to avoid recriminations.

3.10.2.4 Remedies are timely and open to appeal.



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3.10.3 Achieving and Maintaining Best Practice

- 3.10.3.1 Data on the receipt and handling of grievances is maintained and analyzed to ensure the efficacy of the grievance mechanisms.
- 3.10.3.2 Where there are recognized trade unions, the role of shop stewards and union officials in handling the grievances of their members is clearly specified.
- 3.10.3.3 Distinct procedures managed by trained personnel are available for cases involving sexual harassment or assault. Those procedures take account of the potential trauma and risks involved and make provision for counselling and other support to victims, as needed.

3.11 Land rights of communities, including indigenous peoples, will be protected and promoted

The rights and title to property and land of the individual, indigenous people and local communities are respected. All negotiations with regard to their property or land, including the use of and transfers of it, adhere to the principles of free, prior and informed consent, contract transparency and disclosure.



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3.11.1 Implementing Mandatory Requirements

- 3.11.1.1 Due diligence is undertaken to uphold individual or indigenous people's established rights to property and land.
- 3.11.1.2 Periodic training on Free, Prior and Informed Consent (FPIC) is provided to all relevant staff members.
- 3.11.1.3 There is zero tolerance of land grabbing.
- 3.11.1.4 A zero land grabbing policy is implemented.

3.11.2 Advancing to Good Practice

- 3.11.2.1 A system for due diligence is in place to uncover and disclose risks and impacts to communities related to land issues.
- 3.11.2.2 The right of women to land ownership and access to land is recognized.

3.11.3 Achieving and Maintaining Best Practice

- 3.11.3.1 Impact assessments are conducted with full participation of affected communities and published in a format and language accessible to those affected communities. The assessment data is disaggregated by gender, national origin, tribe or caste.
- 3.11.3.2 A public commitment is made to actively support responsible agricultural investments, the UN Voluntary Guidelines on the Responsible Governance of Tenure and full traceability.



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3.12 Business is conducted in a manner which embraces sustainability and reduces environmental impact

Operations, sourcing, manufacture, distribution of products and the supply of services are conducted with the aim to protect and preserve the environment.

3.12.1 Implementing Mandatory Requirements

- 3.12.1.1 All necessary legal permits are held for its operations.
- 3.12.1.2 Training is provided to all personnel to ensure knowledge of and compliance with all necessary legal permits.

3.12.2 Advancing to Good Practice

- 3.12.2.1 Environmental management policies and procedures are in place regarding water, energy, hazardous materials, air quality and emissions, deforestation, waste, and other significant risks.
- 3.12.2.2 Training is provided to all personnel on environmental policies and procedures to ensure effective implementation and compliance.
- 3.12.2.3 Our suppliers and where relevant farmers, uphold the guidelines within the UCIC Sustainable Agriculture Code and other applicable and publicly available UCIC industry or sector specific codes of conduct.
- 3.12.2.4 Transparency is ensured on environmental performance

3.12.3 Achieving and Maintaining Best practice



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3.12.3.1 Sustainability practices are embedded across the supplier’s operations and activities which aim to (i) reduce the generation of waste and achieve zero landfill; (ii) reduce greenhouse gas emissions and achieve carbon neutral solutions; (iii) reduce the consumption of water; (v) protect and enhance nature and biodiversity; and (vi) halt deforestation.

3.12.3.2 A systematic review of the supplier’s sustainability practices and environmental management systems is undertaken regularly with support from experienced conservationists and with the involvement of local communities to determine whether appropriate policies and procedures are in place and are functioning to achieve the aims outlined in **3.12.3.1**.

4- Implementation Guidelines

UCIC strives to conduct its business with integrity and respect for others. Our reputation is an asset, as valuable as our people and our brands. We expect the highest standards of behavior from all our workers and those with whom we do business. By becoming a supplier, you are stating that you share our Fundamental Principles.

- Section 4.1 contains our Mandatory Requirements, followed by the Continuous Improvement Benchmarks.

All suppliers to UCIC must observe and comply with these Mandatory Requirements and to work towards, and over time meet the Continuous Improvement Benchmarks for Good Practices and Best Practices. We will work to recognize and certify suppliers who strive to reach these highest levels of responsible sourcing.

- Section 4.2 contains the reporting and disclosure requirements we expect of our suppliers when there are breaches of the Policy.

4.1 Mandatory Requirements for doing business with UCIC & the continuous improvement benchmarks



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In this section, we describe the Mandatory Requirements for our suppliers to establish and maintain a business relationship with UCIC. This section also contains benchmarks relating to all the Fundamental Principles encompassed in this Responsible Sourcing Policy. They include:

- 4.1.1 *Benchmarks which are essential to meeting the Mandatory Requirements of this Responsible Sourcing Policy*
- 4.1.2 *Benchmarks we expect suppliers to achieve over a reasonable period of time in order to reach Good Practice and ultimately to achieve Best Practice.*

We require all suppliers who work with or for UCIC to respect and confirm that all their activities comply with the Mandatory Requirements, however We understand that achieving Best Practice will take time. We will work to share knowledge and guidance with our suppliers to help them reach this level. These benchmarks comprise the critical elements of what is generally required to reach Mandatory Requirements and to reach Good and Best Practice, but are not exhaustive.



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4.2 Reporting on breaches

- 4.2.1 *Any failure to comply with this Policy (including any failure by an employee of UCIC or anyone acting on behalf of UCIC to so comply), of which the supplier is aware, should be immediately reported to UCIC. The failure to do so will be a breach of this Responsible Sourcing Policy.*
- 4.2.2 *We strongly support a culture of speaking up for both suppliers and their workers without any fear of retaliation against those who report actual or suspected breaches.*
- 4.2.3 *UCIC will investigate any reported non-conformity made in good faith and discuss findings with the supplier. The supplier shall assist with any such investigation and provide access to any information reasonably requested.*
- 4.2.4 *If remediation is required, the supplier will be expected to inform UCIC and implement a corrective action plan and timeline to effectively and promptly resolve the failure.*
- 4.2.5 *Suppliers, their employees or contractors may report actual or suspected breaches of this Responsible Sourcing Policy to UCIC by phone or online. Reports can be submitted confidentially and anonymously (where permitted by law) For more information, please visit www.ucic.com.sa*