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Policy for Reporting Violations

This Policy shall apply to all stakeholders (including the Almarai Company’s staff “the Company”). For the purposes of this Policy, the term (“Company”) shall refer to all of Almarai Company affiliates or the companies over which the Company shall have direct or indirect control.

The Company is committed to the highest standards of transparency. An important aspect of accountability and transparency is a mechanism to enable staff to disclose violations in a responsible and effective manner. It is a fundamental term of every contract of employment that an employee of the Company will faithfully serve his employer and not disclose confidential information about the Company’s affairs. Nevertheless, where an individual discovers information which they believe it shows serious violations or involves wrongdoing within the Company, then said information should be reported to the competent department in the Company without fear of reprisal, and there should be arrangements to enable this to be done independently of line management.

This Policy is designed to ensure that no members of staff are discouraged from raising issues and to provide them with a means to report such issues. This Policy is not designed to question financial or business decisions taken by the Company, nor should it be used to raise any matters which would normally be considered under the Company’s complaint, behavioral, disciplinary or other procedures. Minor incidents should be dealt with through the Company’s normal management structure, and wherever possible, employees should approach their line manager in the first instance to discuss their concerns about any malpractice.

Scope of Policy

This Policy is designed to achieve the following:

- 1) Help the stakeholders (including the Company’s staff) report to the Board of Directors any acts or practices committed by the Executive Management and which violate the laws, rules and regulations in force or call the financial statements, internal controls systems or others into question, whether or not said acts and practices are committed against them, and conduct the necessary investigation.
- 2) Maintain the confidentiality of the reporting procedures by facilitating direct contact with an independent member of the Audit Committee or any other competent committee.
- 3) Assign a competent person to receive complaints or reports of the stakeholders and deal therewith.
- 4) Allocate a telephone or email to receive complaints.
- 5) Provide necessary protection for the stakeholders.
- 6) Enable the Company’s employees to raise serious concerns to the Company’s management and at the highest level. These concerns include:
 - Financial malpractice, or fraud.

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- Failure to comply with the obligations prescribed under the laws, rules and regulations in force.
- Health, security or environment related risks.
- Criminal activities.
- Improper conduct or unethical behavior.
- Attempts to commit any of the abovementioned acts.

Safeguards

Prevention

This Policy is designed to offer protection to those employees of the Company who disclose such concerns (a ‘whistleblower’). Thus, disclosing a genuine concern can be made without fear of reprisal.

Disclosures must however be made in all cases:

- In good faith.
- In the reasonable belief of the individual making the disclosure that it tends to show a violation or impropriety.
- To an appropriate person or through the company hotline
- The Company shall not tolerate harassment or victimization of a whistleblower, which may be treated as a disciplinary offence.

Confidentiality:

The Company shall undertake to treat all such disclosures in a confidential and sensitive manner. The identity of the whistleblower shall be kept confidential so long as it does not hinder or frustrate any investigation.

In all cases, the whistleblower may be requested to provide a statement as part of the evidence required.

Untrue Allegations:

If an individual makes an allegation in good faith, which is not confirmed by subsequent investigation, no action will be taken against the whistleblower. In making a disclosure, the whistleblower should exercise due care to ensure the accuracy of the information. If, however, an individual makes malicious or vexatious allegations, and particularly if he persists with making them, disciplinary action may be taken against that individual.

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Disclosure Procedures:

The Company shall design a mechanism to receive the complaint/report to ensure the independency of the investigation and to deal with it in a sensitive manner based on the nature of the risks represented with it.

In the event that the person who makes the disclosure is one of the Company’s employees, he can disclose to the direct manager in order to take the necessary action. Also, the Employee can bypass his direct manager and report to Almarai’s Head of the internal Audit, Chairman of the Audit committee or to the Legal Counsel if he does not wish to report to his direct manager. In addition he can use the phone and Email which designated to receive any report.

Investigations

If there is evidence of criminal activity, or activity which contravenes any law or regulations under which the Company operates, then the “investigating officer” (Company’s Secretary, Head of Internal Audit or Audit Committee Chairman) shall inform the appropriate authorities.

The Company will ensure that any internal investigation does not hinder a formal external investigation. Due to the varied nature of these sorts of complaints, timescales for investigations may vary considerably depending on the type and nature of each case. The “investigating officer” will ensure that investigations are undertaken as quickly as possible, without affecting the quality and depth of those investigations. The “investigating officer” will, as soon as practically possible, send a written acknowledgement of the concern to the whistleblower, and thereafter report back to them the outcome of the investigation and the action that is proposed. If the investigation is a prolonged one, the investigating officer should keep the whistleblower informed as to the progress of the investigation and to when it is likely to be concluded.

All responses to the whistleblower will be in writing and sent to their home address or an address nominated by the whistleblower. Alternatively, the format may be electronic – depending on the wishes of the whistleblower. Under no circumstances should written correspondence from the investigating officer be shared by the whistleblower to any third party, failure to abide by this will result in disciplinary action against the employee.

Final Provisions, (Publication and Amendment).

The Company shall abide and comply with this policy as of the date when it’s approved by the Board, and shall be published in the Company's website to enable shareholders, stakeholders and the general public to access them.

The content of this Policy shall be reviewed as and when needed based on the recommendation of the Board, and such amendments shall be approved by the Board.