



المتقدمة  
Advanced

الشركة المتقدمة للبتروكيماويات Advanced Petrochemical Company

# Code of Professional Conduct & Ethical Values



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## 1. Message from the President & CEO

Dear Colleagues,

Our 'Code of Professional Conduct and Ethical Values' reflects our commitment of shared responsibilities, respect for each other and dedication to conduct our business at the highest personal and professional standards. The Code outlines the guiding principles for implementing the company's policies on conflict of interest, integrity, transparency and fairness in order to ensure the sustainability of a healthy, safe and exemplary workplace environment.

Our 'code of professional conduct' also urges all of us to value the diversity of cultures, people and their experiences that maintains the Culture of Excellence at Advanced.

Myself and the Executive Management would like each and every one of us to align ourselves with our 'Code of Professional Conduct and Ethical Values', to work together to maximize value for our stakeholders and to pursue sustainable growth for a brighter future business.

Let us all put hands together to set a framework of business conduct in which we can all define our individual contributions and goals.

Every Advanced employee is encouraged to report any incident on business irregularity, deviation from the Company policies and incidents compromising personal integrity.

Thank you for your commitment to sustain our Culture of Excellence.

Sincerely,

**Abdullah M. Al Garawi**  
President & CEO

## 2. Overview

This Code of Professional Conduct & Ethical Values (the “Code”) describes standards of professional conduct for all employees (hereinafter referred to individually as the “Employee” and collectively as the “Employees”) of Advanced and its affiliates (collectively referred to as “Advanced” and/or the “Company”). The purpose of this Code is to establish a common understanding of the minimum expected standards of conduct and ethics for all Employees in order to maintain the Company’s reputation of integrity, honesty and professionalism.

The scope of this Code applies to all Employees, whether directly or indirectly hired, as well as to third parties dealing with and/or representing Advanced.

As this Code is developed based on the Saudi Companies Law, Capital Market Authority Law, Corporate Governance Regulations, Labor Law and business needs, adherence to this Code is crucial to the values of Advanced and essential to achieving its mission and business objectives.

While it is not possible to cover all situations to which the Code and other related policies and procedures apply, it is imperative that all actions and working relationships shall be conducted based on fairness, honesty, integrity, respect, confidentiality and professionalism.

## 3. Commitments:

### I. Advanced’s Vision, Mission & Values:

- A. **Vision:** Growing chemical company acting responsibly towards all stakeholders.
- B. **Mission:** Provide quality products through professional work environment to maximize shareholders’ value in a socially responsible and sustainable manner.
- C. **Values:**
  - **Transparency:** We speak up our mind; give positive and constructive feedback.
  - **Team Spirit:** We sacrifice own needs for the good of the team; never undermine team efforts; celebrate achievements.
  - **Continuous Improvement:** We pro-actively recognize business opportunities; benchmark and implement best practices; challenge status quo.
  - **Customer Care:** We adjust business processes to best meet customer needs and to ensure customer satisfaction.
  - **Excellence:** We do the right things right first time; deliver on commitments.

### II. Understanding the Code:

- All Employees are responsible to carefully read, thoroughly understand and strictly comply with all provisions of this Code.
- In addition, all Employees are expected to perform their work with honesty, impartiality and integrity in any areas not specifically addressed by the Code. A violation of this Code may result in appropriate disciplinary action including the possible termination of employment.

- Nothing in this Code prohibits or restricts Advanced from taking any disciplinary action on any matters pertaining to Employee conduct, whether or not they are expressly discussed in this document. The Code may be revised, changed or amended at any time by Advanced Management.

### III. Compliance with the Code:

This Code defines the standards for conduct in all business, legal, and ethical matters carried out within Advanced in daily business, and is meant as a guiding tool for dealings with customers, suppliers, and partners; interaction with competitors; as well as in financial areas and for trading in Advanced shares.

- Be an example – create and maintain a culture of compliance;
- Promptly raise your concerns and observations to your immediate supervisor or the Company Compliance Officer;
- Identify business compliance risks and prevent such risks; and
- Consult with the Company Compliance Officer regarding any disclosures required by applicable laws and regulations.

## 4. Competition & Fair Trade

### I. Competition Law

- Competition laws or anti-trust laws are designed to protect consumers and to provide free and fair competition in which the best interest of the consumers are ensured and served. The competition laws are globally very strict and must be adhered to at all times.
- Advanced successfully competes domestically and internationally in full compliance with all applicable competition laws. Any direct or indirect exchange of information between competitors is strictly prohibited. Therefore, Employees must at all times understand the application of such laws and adhere to not to conduct any agreement, understanding or discussion or to share with a competitor, without limitation, the following:
  - Complicity in tenders (bid rigging);
  - Setting a limit for production;
  - Prices and pricing policies;
  - Sales territories and allocation of customers or product lines; or
  - Terms and conditions of sale.

Employees shall consult with the Company Compliance Officer whenever they have a question or concern or are unsure about the application of competition laws to their activities.

## II. International Trade Controls

Each country has developed its own trade control laws in which such laws regulate the way goods, services and technology are exported and imported. International trade controls may include rules for embargoes prohibiting trade with certain countries.

Employees shall consult with the Company Compliance Officer if you receive any request to comply with any restrictive trade practice or boycott; these may be prohibited or penalized under applicable national and international laws, or may be subject to certain government reporting requirements.

## III. Third Party Business Dealings

Employees shall perform business dealings with third parties by abiding to Advanced ethical, fair and lawful practices, and shall not conduct unethical business activities while dealing with third party agents or organizations.

Third parties dealing with Advanced shall always conduct their businesses responsibly and demonstrate integrity, honesty and respect for others as well as comply with applicable laws and ethical principles.

Respective Employees are responsible to follow Advanced ethical policy at the time of selecting suppliers or third parties who will represent Advanced.

# 5. Advanced Work Environment

## I. Environment, Health, Safety, Security & Quality (EHSSQ)

Advanced is committed to protect the health and safety of Employees and the environment. Advanced having EHSSQ policies and procedures maintained, and all Employees shall be aware of the policies and procedures that apply to them and at the work, and act in compliance with them.

We all shall take the responsibility for maintaining and supporting a comprehensive security system designed to prevent terrorist and other criminal acts from impacting our business, Employees, persons at our premises and production facilities.

## II. Equal Opportunity & Diversity

Advanced is committed, under applicable laws, to the principles of equal employment opportunity practices for all applicants and Employees. Equal employment opportunity is one of the pillars of Advanced success and it applies to all employment practices and actions.

We, at Advanced, recognize the benefits of diversity of our Employees and strive to ensure that all Employees enjoy equal opportunity based only on business needs and work-related criteria, such as, job requirements and qualifications.

The managers shall encourage their Employees towards achieving the Company objectives and give them opportunity to be developed professionally.

### III. Fairness

It is Advanced duty to act and make decisions objectively and impartially and fostering a positive work environment where Employees feel valued and treated with dignity and mutual respect.

Employees are expected to communicate and interact with others as follows:

- Act with integrity, respect, impartiality and discretion;
- Refrain from any action or behavior which might negatively reflect on Advanced; and
- Promote a respectful culture which is free of unfair acts, such as, retaliation, threat, harassment, intimidation, racism, discrimination and violence.

### IV. Workplace Harassment

We, at Advanced, are committed to provide a positive and professional work environment that is free from all kinds of unlawful and inappropriate conduct and behavior, such as, intimidation, hostility, humiliating jokes or other offenses that might impact work performance. Harassment is a harmful act that could lead to a very hostile work environment, and could occur in various ways, such as, electronic, verbal or physical act or conduct toward others based on any actual or perceived traits or characteristics.

Advanced will not tolerate any kind of abusive language, physical violence or threat by or to any Employee which might be negatively affecting the work environment. Employees are encouraged to directly inform the harasser that the conduct is unacceptable and must stop immediately, and shall also promptly report any harassing conduct to the Company Compliance Officer.

Employees shall refrain from any direct or indirect behavior that constitutes harassment towards an individual or group. Harassment behaviors occur when an Employee behaves inappropriately with others based on, including but not limited to, their race, color, religious belief, national origin, ethnic origin or nationality.

Spreading rumors about Employees, management decisions and business activities are strictly prohibited. As transparency is one of our values, Employees are welcome to discuss any concerning subject with the relevant department.

### V. Sexual Harassment

Sexual harassment is unlawful and harmful inappropriate conduct, it includes flirtations, sexual advances, request for sexual favors and visual, oral or physical conduct of a sexual nature. Advanced will not tolerate any form of sexual harassment. Employees shall not engage in or make inappropriate sexual advances to any Employee or others in the workplace.



## VI. Favoritism

Favoritism is a preferential treatment of certain Employees for reasons other than job qualifications and performance. In some situations, favoritism might lead to discrimination.

This Code and Advanced internal policies are to ensure that any decision regarding employment practices shall be based solely upon qualifications, performance and applicable criteria. Favoritism is very harmful to Advanced business and reputation and shall always be avoided.

## VII. Discrimination

Advanced is committed to provide a positive and professional work environment free of discrimination, and all decisions shall be in accordance with law and consistent with the values that we stand for.

Advanced policy is to conduct its businesses in a way free of discrimination and to provide all employment practices in accordance with its business needs and work-related criteria without discrimination on any basis under applicable laws and regulations.

## VIII. Proper Exercise of Authority

Employees must be aware of and perform their job in accordance with authorities vested in them, such as, purchasing materials, binding the Company in agreements and authorizing expenditures.

Each Employee shall perform his duties with honesty and integrity, and prioritize the interests of the Company over his own interest, and not use his position to achieve personal interests, advantage or benefits.

## IX. Illegal Drugs & Alcohol

Advanced is obligated under applicable laws and committed to promote a safe and healthy work environment free from illegal drugs and the influence of alcohol. All Employees are strictly prohibited from the use of alcohol or being under the influence of alcohol or illegal drugs.

Any Employee who may be under the influence of legal drugs prescribed by an approved physician shall, if such use adversely affects the Employee's safety or the safety of others, promptly inform his immediate supervisor, discuss with him and agree on the appropriate course of action.

## X. Confidentiality

Keeping confidentiality of Advanced's and its partners' business activities is very crucial and it is an integral part of Advanced's approved standard employment contract. Non-public information about Advanced and its business activities, partners, Employees and suppliers must be kept confidential and shall not be disclosed without prior written consent from the authorized person.

As an Employee of Advanced, you may be entrusted with confidential information and you shall protect and not share such information with anyone inside or outside Advanced, including family members and friends. Confidential information might be solely shared with those Employees who are required to have such information on need-to-know basis to carry out their job duties.



No Employee is allowed to use Confidential Information for any purpose other than the intended purpose whether such information relating to Advanced, its Employees or its business partners. Employees are also strictly prohibited from disclosing confidential information to any third party.

Employees who have access to Advanced or third party confidential information are obligated to safeguard such information from unauthorized access and not to disclose it in a manner inconsistent with the terms and conditions of any relevant confidentiality or license agreement. Disclosure of confidential information of Advanced, its Employees or its business partners leads to termination of the discloser without prejudice to any rights and remedies available to Advanced pursuant to such disclosure.

## XI. Conflict of Interests

A conflict of interest may exist when an Employee's personal interests, or his or her family private interests, interfere in any way with the Advanced interests and could affect the Employee's abilities to carry out the Company's duties objectively, fairly and impartially.

It is Advanced policy to protect its interests, strengthening internal control mechanisms, preventing situations of conflicts of interests and dealing with such situations in accordance with this Code, internal policies and as required by applicable laws and regulations in this regard.

While this Code does not attempt to describe all possible conflicts of interests that could develop, the following are some examples of conflicts of interests:

- Receiving loans or guarantees of obligations as a result of one's position;
- Engaging in any competitive business unless authorized to do so by the Company;
- Engaging in conduct or activity that improperly interferes with the Company's existing or prospective business relations with a third party;
- Accepting bribes, kickbacks or any other improper payments for services relating to the conduct of the business of the Company; and
- Accepting, or having a family member accept a gift from persons or entities that deal with the Company, in cases where the gift is being made in order to influence the Employee's actions, or where acceptance of the gift could otherwise reasonably create the appearance of a conflict of interest.

Without prejudice to the above, Employees shall avoid situations that lead to an actual, potential and appearance of conflict between their interests and Advanced interests, and shall promptly disclose to the Company's Compliance Officer any cases of conflict of interests, including:

- Having a direct or indirect interest in any contract and business entered into for the benefit of the Company;
- Engaging in any business that may compete with the Company or any of its activities; and
- Be aware of an Employee's interest that interfere with the Company's interests.

Failure to disclose and report an actual or potential conflict of interests or ethically questionable behavior may result in taking disciplinary action, including termination of employment.

## XII. Privacy / Data Protection

Advanced is committed to respect and protect the privacy of individuals and to handling personal information responsibly in accordance with applicable laws. We treat information of Employees, customers, stakeholders and other related parties with the utmost care and confidentiality.

Employees who have access to personnel data are obligated to respect the confidentiality of such data and shall not share them with other Employees or otherwise and shall use such data only for legitimate business purposes.

In the event that any Employee misused or violated the privacy of data or becomes aware of such situation or learned that system containing personal data has been compromised, he shall immediately inform his immediate supervisor and the Company's Compliance Officer.

## 6. Protecting Our Assets

### I. Proper Use of Company Assets

All Employees shall protect the Company's assets and use them for the intended purpose. Advanced assets include its plant machineries, buildings, equipment, computers, phones, mobile devices, vehicles, files, documents, inventory, supplies, intellectual property and confidential information.

### II. Intellectual Property

Innovations and success are very important elements of Advanced future growth and sustainability. Protection of our intellectual property from theft, losses or misuse is every Employee's duty. The intellectual property of Advanced is a critical part of our operations and identity and must be protected as a valuable asset. Advanced intellectual property portfolio includes copyrights, trade- marks, trade secrets, logos, know-how, ideas, design rights and patents. Employees shall promptly disclose any inventions, work developments or improvements in order to obtain legal protection over them.

Employees shall at all times not disclose or share any intellectual property of Advanced or its business partners with anyone inside or outside Advanced except those who are required to know to carry out their job duties.

Intellectual property of third party must be respected and not be disclosed. All Employees have obligations to protect the Company's propriety and confidential information even after they leave Advanced.

Consult with the Company's Compliance Officer if you have any questions regarding the proper use and protection of the Company's intellectual property.

### III. Insider Trading

As an Employee, you may have access to material undisclosed information about Advanced, its business activities, its partners, potential deals or investments that may not be known to the public. This material undisclosed information is called "Non-Public Information".



Employees are strictly prohibited to use or share Non-Public Information learned during their employment until such information has been disclosed to the public in accordance with applicable laws and regulations. The use or share of Non-Public Information for personal financial benefit or providing it to others who might buy or sell shares of Advanced or other companies on the basis of this information is considered as a violation of this Code, Advanced internal policies and illegal act under Saudi laws.

In general, Non-Public Information includes, without limitation, any information about the Company, its shareholders, business partners, suppliers or customers, and such information would likely to be considered important by potential investors. Non-Public Information may include, without limitation, one of the followings:

- Any information about the merger or acquisition;
- Material deployments regarding the Company;
- Financial forecasts or earnings;
- Under assessment and potential investments;
- Any significant damage or failure of technical or mechanical issues affecting the Company's assets;
- Any major change in the Company's management;
- Any development in contracts that is being negotiated or entered into; and
- Any development of any proceedings or litigation.

## 7. Gifts & Donations

Business gifts, services and entertainment are customary courtesy used to strengthen business relationships and to build goodwill among business partners. However, Employees shall not accept or offer them if doing so could directly or indirectly affect, or appear to affect, the Employees' objectiveness and impartiality in making their decisions.

A gift, service, favor, donation and/or entertainment shall be assessed taking into consideration the location and the circumstances in which it was presented, and shall not constitute a violation to applicable bribery laws.

Employees may accept gifts, services, favors, donations and/or entertainments of a nominal value (equivalent to less than SAR 300) or of a token kind without need to reporting to the Company Compliance Officer, but must be disclosed to the Employee's immediate supervisor or above. Gifts or the like valued at or above SAR 300 from any third party should be reported to the immediate supervisor or above as well as to the Company Compliance Officer who should direct the Employee to the appropriate action. However, monetary gifts such as cash or gift cards/vouchers should not be accepted.

Employees are required to seek approval of the Company management prior to offering a gift to a party having existing or potential business relations with Advanced unless such offer is consistent with the approved policies and practices of the Company.



## 8. Reporting Compliance Concerns Promptly:

- Employees are encouraged to contact the Company Compliance Officer whenever they need clarification or direction regarding compliance issues.
- Employees are obligated to report to the Company Compliance Officer any conduct that they believe, in good faith and without regard to the identity or position of the suspected offender, to be a violation of applicable laws or this Code. Advanced will treat the information in a confidential manner (consistent with appropriate evaluation and investigation) and will seek to ensure that no acts of retribution or retaliation are taken against anyone for making a report.
- You may report your compliance issue in a confidential envelop to the Company Compliance Officer or email it to [Compliance@advancedpetrochem.com](mailto:Compliance@advancedpetrochem.com)

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