

SUSTAINABLE PROCUREMENT POLICY





Policy Approval

This policy was approved by Board of Directors decision issued on 07/31/2023

Table of Contents

Purpose:.....	3
Scope:	3
Policy Objectives.....	3
Introduction	3
Local Procurement.....	4
Policy Commitments.....	4
Policy Review	4
Final provisions.....	4

Purpose:

The purpose of this policy and procedure is to outline the standards and expectations for suppliers, and to ensure that the company's procurement activities contribute to its overall ESG goals. Al-Andalus property Company is committed to purchasing goods and services in a manner that promotes sustainability and protects the environment. We will take into account environmental, social, and ethical factors when selecting suppliers and evaluating their performance.

The Procurement Policy promotes reliability, efficiency, and consistency while maintaining high standards of ethical and professional conduct. The procurement methods, outlined in this document, encourage competitive practices while ensuring dependability and expediency within the supply chain.

Scope:

This policy applies to all employees and stakeholders of Al-Andalus property Company who are involved in procurement activities:

Policy Objectives:

- To obtain goods and services at the lowest possible cost, without sacrificing quality or performance.
- To ensure that all procurement activities are conducted in a fair, transparent and ethical manner.
- To maintain the highest standards of integrity in all procurement activities.
- To establish relationships with suppliers that foster mutual trust and respect.

Introduction:

At Al-Andalus property Company we are committed to delivering high-quality service to all stakeholders throughout the procurement process. Social impact and strive for sustainability across every function. This includes, but is not limited to:

- Applying procurement best practices and sound business judgment to all requests.
- Being knowledgeable of and abiding by all applicable laws and regulations.
- Identifying and mitigating risks in our procurement process.
- Communicating the policy with stakeholders (internal and external) and raising awareness among our suppliers.
- Conducting business with honesty and integrity.
- Promoting procurement activities based on mutual understanding and trust;
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- Develop a specification or statement of work.
- Evaluate suppliers based on price, quality, availability, delivery and other relevant factors.
- Negotiate terms and conditions with selected suppliers.
- Monitor supplier performance.
- Prioritize suppliers that comply with our ESG standards.

Al-Andalus property Company Al-Andalus property Company will encourage its suppliers to continuously improve their sustainability practices and will provide support and resources to help them achieve this goal. We will also engage in regular dialogue with our suppliers to encourage collaboration and information sharing.

Local Procurement

Where possible, Al-Andalus property Company will seek to purchase goods and services from local suppliers and contractors in order to reduce the carbon footprint of our supply chain and support the local economy, in line with our commitment to sustainable procurement practices.

At Al-Andalus property Company We expect our local suppliers to meet our requirements and expectations for sustainability and ethical business practices, we monitor and review our local procurement practices in fairness and accordance with laws and regulations.

Policy Commitments

- Our organization is committed to conducting all procurement activities in a fair and ethical manner. We expect our employees and agents to act with integrity and honesty at all times.
- Our procurement activities shall be conducted in compliance with all applicable laws and regulations, including anti-bribery and anti-corruption laws.
- We shall not accept gifts or other incentives from suppliers that could compromise our objectivity and independence.
- We shall maintain the confidentiality of all procurement-related information, including supplier proposals and pricing information.
- Suppliers that take steps to minimize their environmental impact, including reducing emissions, waste, and resource consumption, will be prioritized.

Suppliers that engage with the communities in which they operate and take steps to minimize their impact on those communities, will be prioritized.

Policy Review

This policy is reviewed on a regular basis (at least once a year) by the Al-Andalus property Company Sustainability Committee and Procurement Management to ensure its comprehensiveness and completeness.

Final provisions

- 1- This policy will enter into force as of the date of its approval by the Board of Directors.
2. This policy is reviewed periodically - when needed - or when changes are introduced in the policies of higher applications or legislative requirements, or after any important event that may require a change in this policy, and any proposed amendments are presented to the Governance Department, which studies and reviews the proposed amendments and recommends them. To the CEO for approval.



3.The Internal Audit Department works to share with other departments any amendments or proposals to this policy and to seek their views and comments in order to achieve the goal behind it.

