

Supplier Code of Conduct

August 2024

Objective

The National Bank of Kuwait S.A.K.P. ("NBK") is strongly committed to observing the highest professional and ethical standards in all its procurement activities. As such, this Code of Conduct for Suppliers has been prepared to provide clear summary of NBK's expectations from its suppliers/service providers in all procurement dealings, ensuring that NBK's suppliers and service provider consistently adhere to internationally recognized procurement ethics. Furthermore, transparency and accountability standards should be strictly adhered to by NBK's suppliers and service providers in all procurement activities.

NBK's Commitment to Sustainability and Responsible Business Conduct

NBK embeds its deep commitment to climate action and environmental protection at the core of all facets of its business and operations. NBK strives to actively consider various ways to mitigate the impact of climate change as well as manage our environmental footprint operationally. All suppliers are encouraged to adhere to similar environmental efforts as appropriate to their businesses and aligned with best practices locally and globally.

NBK has a long-standing legacy of social impact through expanded community investments, philanthropy, and engagement. To that extent, it encourages all suppliers to collaborate with public agencies, government bodies and communities to improve the educational, cultural, economic, and social well-being of the communities in which they operate.

NBK believes that diversity, equity, and inclusion are social and economic imperatives and looks to its suppliers to share this commitment in their operations, workforces and within their supply chains. NBK promotes the economic inclusion of diverse businesses in our supply chain. It supports, when possible, women and youth - owned businesses, as well Small and Medium-Sized Enterprises (SMEs). Suppliers are encouraged to support supplier diversity efforts by utilizing diverse businesses and providing opportunities to a wide spectrum of companies in their operations.

NBK has demonstrated its support and adoption of the United Nations Sustainable Development Goals (UN SDGs) and the Principles of the United Nations Global Compact (UNGC). NBK expects its suppliers to conduct business in a responsible manner and incorporate the UN SDGs and the Principles of the UNGC into their operations and other business relationships. Suppliers shall comply with all applicable environmental and social laws, regulations, and standards as per NBK Group and their respective countries of operation.

Applicability

This Code shall be applied to all NBK Suppliers and Service Providers and their sub-contractors. For the purposes of this NBK Supplier Code of Conduct, Supplier(s) and Service Provider(s) refer to an entity, including sub-contractors and joint venture partners, that have a contractual relationship with NBK by which such entities supply or provide NBK with goods and services under procurement activities.

NBK Standards to be Followed by Suppliers:

The following standards define the minimum standards of professional, ethical and responsible behavior which must be met by contracted Suppliers and Service Providers when entering into contractual relationships with NBK.

I. Policy on Corruption and Conflict of Interest

NBK expects all contracted Suppliers and Service Providers seeking to sell goods or services to conduct their business in accordance with the highest ethical standards. Suppliers or potential suppliers must strictly comply with all applicable rules and regulations on bribery and corruption and avoid unacceptable business practices. Hence, Suppliers are expected to observe the following:

1. Shall not, directly or indirectly, offer to any NBK staff money, goods or services as consideration or in expectation of any favorable decision, information, opinion, recommendation, vote or any other form of favors which qualify as corruption.
2. Shall not, directly or indirectly, offer, give, or agree or promise to give any NBK staff any gratuity for the benefit of or at the direction or request of any NBK staff. Bribery can include not just the payment of money, but also the transfer of anything of value, including, but not limited to, lavish entertainment or travel expenses, political or charitable donations.
3. To immediately inform NBK if any NBK staff solicits, obtains, or has made an attempt to obtain gratification for himself/herself or for any other persons.

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4. To immediately declare if any of the Supplier or Service Provider's staff and/or officers has any relative (to the first degree) employed with NBK. Failure to make such a declaration shall be construed as a conflict of interest and may result in the exclusion of the Supplier from present and future procurement activities and may subject the Supplier or Service Provider to other legal action as deemed fit by NBK.
5. Shall not take any action on behalf of NBK that could be construed as an attempt to bribe, accepting of a bribe, or engaging in corrupt activity.
6. The Supplier/Service Provider, its directors, officers, and employees shall comply with all applicable laws, legislation and regulations relating to combating bribery and corruption, as well as relevant laws and ministerial decisions.

II. Policy on Compliance with all Applicable Laws and Standards

This Code of Conduct must be read in conjunction with applicable local laws and the contractual arrangements with Suppliers. Suppliers must comply with applicable regulatory requirements in the countries where the Supplier operates and where the goods and services are being provided. If compliance with any provision of the Code of Conduct would result in a legal or regulatory violation, Suppliers must follow the law or rule.

III. Policy on Sustainability and Responsible Business Conduct

Supplier Environmental Impact

The Supplier/Service Provider must comply with all applicable environmental laws and regulations in the countries where the Supplier operates. The Supplier/Service Provider shall demonstrate they have policies and strategies to identify, prevent, mitigate, and account for impacts on the environment in their own operations and their supply chain. This shall include without limitation: improving sustainability practices, addressing energy and water usage, reducing greenhouse gas emissions, reducing waste and especially plastics, promoting environmental responsibility and awareness, incorporating eco-conscious decisions into the development of products and services, and incorporating environmental considerations into investment decisions where appropriate.

Supplier Social Impact

The Supplier/Service Provider must uphold fair labor practices and provide safe working conditions for their employees, ensuring fair treatment and timely payment among others. The Supplier/Service Provider and its directors, officers and employees shall be in compliance with all applicable laws, statutes, regulations and codes relating to human rights, absence of forced or child labor, humane treatment and working conditions, respecting employees' freedom of association, anti-discrimination, and anti-harassment. The Supplier/Service Provider must comply with the laws in each jurisdiction in which they do business.

Suppliers/Service Providers should contribute positively to the communities in which they operate, supporting social projects and initiatives. Suppliers/Service Providers are also encouraged to source materials and services locally, contributing to local economic development.

Supplier Governance Practices

The Supplier / Service Provider is expected to adhere to the highest level of governance. Upon request, the Supplier / Service Provider will provide written information on its policies and practices related to compliance with the Code of Conduct using assessments or questionnaires. NBK is committed to working with Suppliers / Service Providers to ensure compliance with this Code of Conduct and expects Suppliers / Service Providers to agree to work together with NBK to jointly address applicable and relevant topics. In the event of non-compliance with, or violation of the Code of Conduct, NBK may give the Supplier / Service Provider a reasonable opportunity to respond with proposed corrective actions, unless the violation is severe or incurable, or there is a violation of law. NBK may suspend or terminate its relationship with the Supplier / Service Provider and/or disclose the matter to the appropriate authorities if there is a violation of law.

Treatment and Selection of Suppliers

NBK treats all Suppliers / Service Providers fairly and equitably, and selection is based strictly on value, quality, service, and price. NBK ensures that all Suppliers / Service Providers have equal access to information and have equal opportunities to participate and engage with NBK.

Supplier Grievance and Relationship Management

NBK is committed to maintaining the highest level of professional and ethical standards across all its operations and business relationships. NBK believes in being fair and unbiased to any Supplier / Service Provider and aims to ensure that Suppliers / Service Providers are treated with respect. In case there happens to be any incident with the Supplier / Service Provider, it shall be addressed in a fair manner and corrective steps shall be taken when necessitated.