



## CHEMICAL SOLUTIONS TRADING COMPANY

Postal Address: P.O. Box: 181, Dammam 31411, Saudi Arabia

Head Office Address: Office # 104, 3rd Floor, Tower 4, Novotel Business Park, Dammam,  
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## ESG – POLICY MANUAL

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|-------------------------------|--------------|---------------|--|-------------------|

### AMENDMENT SHEET

| DATE                           | ISSUE NO | REV NO | REASON               | REMARKS |
|--------------------------------|----------|--------|----------------------|---------|
| 05 <sup>th</sup> January, 2023 | 01       | 00     | Initial Issue        | -       |
| 04 <sup>th</sup> January, 2024 | 02       | 00     | First Annual Review  | -       |
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|-------------------------------|--------------|---------------|--|-------------------|

### TABLE OF CONTENTS

| SL.No | Contents                              | Page No |
|-------|---------------------------------------|---------|
| 1     | GHG EMISSIONS MANAGEMENT POLICY       | 4       |
| 2     | SUSTAINABLE WASTE MANAGEMENT POLICY   | 11      |
| 3     | GREEN ACTION POLICY                   | 18      |
| 4     | ETHICAL CONDUCT POLICY                | 25      |
| 5     | INFORMATION SECURITY REPORTING POLICY | 32      |
| 6     | ENERGY USAGE POLICY                   | 39      |
| 7     | EMPLOYEE DEVELOPMENT PLAN POLICY      | 47      |
| 8     | WORKPLACE HEALTH POLICY               | 54      |
| 9     | INCLUSIVE WORKPLACE POLICY            | 63      |
| 10    | WORKPLACE STANDARDS POLICY            | 69      |
| 11    | DATA INTEGRITY POLICY                 | 77      |
| 12    | HARASSMENT PREVENTION POLICY          | 84      |
| 13    | CONFIDENTIAL REPORTING POLICY         | 92      |
| 14    | FAIR TREATMENT POLICY                 | 101     |
| 15    | RESPONSIBLE VENDOR POLICY             | 110     |
| 16    | GIFT TRANSPARENCY POLICY              | 120     |
| 17    | SUPPLIER ETHICS POLICY                | 128     |



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|-------------------------------|--------------|---------------|--|-------------------|

## GHG EMISSIONS MANAGEMENT POLICY

CHEMSOL/ESG/POLICY- 01

### 1. Purpose

The purpose of this policy is to outline CHEMSOL's commitment to minimizing greenhouse gas (GHG) emissions across all its operations. This includes reducing direct emissions (Scope 1) from owned or controlled sources and indirect emissions (Scope 2) from the generation of purchased energy. CHEMSOL will address emissions arising from energy use, warehouse activities, office operations, and the transportation of goods. Through continuous monitoring, energy efficiency initiatives, and the adoption of cleaner technologies, CHEMSOL aims to lower its carbon footprint, support climate action, and contribute to a more sustainable and environmentally responsible business model.

### 2. Scope of Application

#### ◆ Eco Obligations

All employees, suppliers, logistics providers this policy applies to all individuals and entities involved in CHEMSOL's operations, including employees at all levels, senior management, on-site and off-site contractors, suppliers, and third-party logistics providers. Each group plays a vital role in achieving the company's GHG emission reduction goals. Employees are expected to follow environmentally responsible practices, while management ensures the policy is implemented effectively. Contractors and suppliers must align with CHEMSOL's sustainability objectives, including emission-reducing strategies. Logistics providers are required to adopt fuel-efficient transport and optimized routes. Collaboration among all stakeholders is essential for reducing environmental impact and ensuring compliance with CHEMSOL's emission reduction initiatives.

#### ◆ Business Area

Warehousing, office spaces, fleet and goods transportation CHEMSOL's GHG emissions policy covers all critical business areas that contribute to its carbon footprint. This includes energy consumption and operational efficiency in warehouse facilities, lighting and HVAC systems in office spaces, and emissions generated by the transportation fleet and movement of goods. Warehousing focuses on optimized energy use and refrigeration control, while offices emphasize reducing electricity consumption and digital workflow adoption. Fleet and goods transportation targets fuel efficiency, route optimization, and the potential shift to cleaner vehicles. By addressing emissions from each of these operational areas, CHEMSOL aims to create a comprehensive, sustainable, and accountable framework for GHG reduction.



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|-------------------------------|--------------|---------------|--|-------------------|

#### ◆ Geographical Area

All business locations in KSA and international logistics operations this policy applies to all CHEMSOL business locations within the Kingdom of Saudi Arabia (KSA) and extends to its international logistics and transportation activities. The company recognizes its responsibility to reduce emissions not only domestically but also across its global supply chain. Emission-reduction strategies will be implemented in all warehouses and offices within KSA, while international operations—including import/export, air and sea freight, and land transportation—must align with sustainability standards. CHEMSOL commits to evaluating and mitigating environmental impacts across borders, ensuring its climate commitments are consistently applied, regardless of geographical location, to support global efforts in combating climate change.

### 3. Governance

The ESG Committee, led by the Head of Sustainability, is responsible for overseeing the implementation, monitoring, and periodic review of this GHG emissions reduction policy. The committee ensures alignment with CHEMSOL's broader sustainability goals and regulatory requirements. It will track performance metrics, assess progress against targets, and recommend improvements based on evolving best practices and technological advancements. The ESG Committee will engage relevant departments and stakeholders to support policy execution across all business areas. Regular updates and performance reports will be submitted to senior management and the Board of Directors, ensuring accountability, transparency, and continuous improvement in environmental performance.

### 4. Definitions

#### ◆ GHG Emissions

GHG emissions refer to the release of greenhouse gases such as carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydro fluorocarbons (HFCs), per fluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>), all of which contribute to global warming. CHEMSOL is committed to reducing these emissions across its operations.

#### ◆ Scope 1 Emissions

Scope 1 emissions are direct greenhouse gas emissions from sources owned or controlled by CHEMSOL, such as emissions from company vehicles, generators, or on-site fuel combustion. These are the most controllable emissions and are a key focus area for reduction initiatives through efficient equipment and alternative energy sources.

#### ◆ Scope 2 Emissions

Scope 2 emissions are indirect greenhouse gas emissions resulting from the consumption of purchased electricity, steam, heating, or cooling. Although these emissions occur at the production facility of the utility provider, they are attributed to CHEMSOL's operations and addressed through energy efficiency measures and transitioning to renewable energy sources.





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|-------------------------------|--------------|---------------|--|-------------------|

## 5. Roles and Responsibilities

### ◆ Sustainability Manager

The Sustainability Manager leads the development and execution of emissions tracking, reporting, and mitigation strategies. This role ensures accurate data collection, compliance with environmental standards, and alignment with CHEMSOL's sustainability goals. The manager also drives continuous improvement by identifying opportunities for reducing GHG emissions across all operational functions.

### ◆ Facility Managers

Facility Managers are responsible for implementing energy-efficient practices within CHEMSOL's offices and warehouses. Their role includes monitoring energy consumption, maintaining equipment efficiency, and coordinating infrastructure upgrades. By ensuring operational best practices, they contribute significantly to reducing Scope 1 and Scope 2 emissions and meeting the company's sustainability performance targets.

### ◆ Logistics Team

The Logistics Team focuses on minimizing emissions associated with goods transportation by optimizing delivery routes, improving fuel efficiency, and considering alternative transport modes. Their efforts directly reduce Scope 1 emissions from fleet operations and play a crucial role in aligning CHEMSOL's logistics functions with its climate action commitments.

### ◆ Employees

All employees are expected to actively support energy-saving initiatives and participate in sustainability-related training sessions. By adopting responsible practices—such as minimizing electricity use and following green office guidelines—they contribute to achieving company-wide emission reduction targets and foster a culture of environmental responsibility throughout CHEMSOL's operations.

## 6. GHG Emissions Management Policy

### 6.1 Low-Carbon Transportation

CHEMSOL is committed to minimizing greenhouse gas (GHG) emissions across all logistics and transportation activities. To achieve this, we will implement advanced route optimization technologies, prioritize the use of fuel-efficient and electric vehicles, and encourage carpooling or ride-sharing initiatives among staff to reduce commuting emissions. Additionally, we will phase in cleaner fuel alternatives as part of our transition to a low-carbon transport system. Regular monitoring and evaluation of our transportation carbon footprint will be conducted to identify further emission reduction opportunities. These efforts align with both national and international climate goals, reinforcing CHEMSOL's commitment to sustainable mobility and environmental stewardship.



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|-------------------------------|--------------|---------------|--|-------------------|

## 6.2 Ensuring Emissions Compliance

CHEMSOL is committed to full compliance with all national and international environmental regulations concerning greenhouse gas (GHG) emissions. We will continuously monitor any regulatory changes and adapt our operations to meet these evolving standards. In addition to compliance, CHEMSOL will participate in voluntary GHG disclosure platforms such as the Carbon Disclosure Project (CDP), providing transparency about our emissions data and reduction efforts. This proactive approach ensures that we not only meet legal obligations but also contribute to global climate efforts by sharing data and insights with stakeholders, reinforcing our dedication to environmental responsibility

## 6.3 Reducing Energy Consumption

CHEMSOL is committed to monitoring and reducing energy consumption across all warehouse and office spaces. To achieve this, we will implement energy-efficient lighting, upgrade HVAC systems, and adopt automation technologies to optimize energy use. We will also focus on sustainable design principles wherever feasible, such as improved insulation and smart building technologies. These efforts are aimed at reducing Scope 2 emissions associated with purchased electricity. By prioritizing energy efficiency, we aim to lower operational costs, improve sustainability performance, and ensure compliance with energy reduction targets in line with global environmental standards.

## 6.4 Energy Conservation Training

At CHEMSOL, we recognize that employee engagement plays a vital role in achieving our greenhouse gas (GHG) reduction goals. We are committed to providing regular training programs focused on energy conservation, the impacts of climate change, and practical GHG reduction measures tailored to our workplace operations. These sessions will empower employees with the knowledge and tools needed to adopt sustainable practices in office settings, warehouses, and transport-related activities. By fostering environmental awareness and encouraging responsible behavior, we aim to build a strong culture of sustainability across the organization, reinforcing our commitment to reducing emissions and supporting global climate action.

## 6.5 Minimizing Transport Emissions

CHEMSOL will focus on minimizing Scope 1 emissions from logistics operations by adopting low-emission vehicles and optimizing transportation routes. We will work towards reducing fuel consumption and carbon footprint by improving route planning, utilizing fuel-efficient vehicles, and exploring the possibility of switching from air to sea freight, which generally has a lower carbon impact. Additionally, CHEMSOL will assess opportunities to shift toward electric or hybrid vehicles for local deliveries. By implementing these measures, we aim to decrease transportation-related emissions, increase operational efficiency, and contribute to global efforts to mitigate climate change impacts within the logistics sector.



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|-------------------------------|--------------|---------------|--|-------------------|

#### 6.6 Enhancing Emissions Monitoring

To address the gap in emissions tracking, CHEMSOL will implement a comprehensive GHG accounting system aligned with the GHG Protocol standards. This system will monitor both Scope 1 and Scope 2 emissions, providing accurate data on energy consumption, transportation emissions, and facility-related GHG outputs. Regular audits and updates will ensure that emissions data is accurate, up-to-date, and reflective of real-time operational activities. This system will enable CHEMSOL to track progress against emissions reduction targets, identify areas for improvement, and make data-driven decisions that support our long-term environmental goals, ensuring transparency and accountability in emissions management.

#### 6.7 Boosting Employee Engagement

CHEMSOL recognizes that employee engagement is essential for the success of its GHG reduction initiatives. To promote a green culture, we will provide regular training to all employees on energy efficiency practices, GHG reduction strategies, and the company's sustainability goals. Training sessions will include workshops, e-learning modules, and awareness campaigns to ensure all staff are knowledgeable about their role in reducing emissions. By fostering an environment of continuous learning, CHEMSOL aims to empower employees to adopt sustainable behaviors, both in the workplace and beyond, ultimately supporting the organization's broader environmental objectives.

#### 6.8 Controlling Supplier Emissions

CHEMSOL will collaborate with suppliers, contractors, and logistics providers to align on shared greenhouse gas (GHG) reduction targets. By establishing clear sustainability requirements, we will encourage transparency and the adoption of best practices in sustainable logistics. This includes evaluating and reducing emissions from third-party transportation, optimizing supply chain processes, and promoting the use of low-emission transport methods. We will work closely with our partners to ensure they are aligned with our climate goals and encourage them to track and report their own emissions reductions. This collaborative approach strengthens our commitment to sustainability across the entire supply chain.

#### 6.9 Use of Non-Renewable Energy Sources

CHEMSOL is dedicated to transitioning from non-renewable to renewable energy sources across its operations. Where feasible, we will install solar panels on selected facilities, providing a sustainable energy alternative and reducing reliance on fossil fuels. Additionally, we will prioritize purchasing green electricity from renewable sources, ensuring that our energy consumption aligns with our environmental goals. This shift will not only help reduce Scope 2 emissions but also demonstrate our commitment to promoting clean energy and supporting the global transition toward a low-carbon economy. We aim to contribute to the sustainable energy future while lowering our carbon footprint.

#### 6.10 GHG Emission Reporting Frequency: Annually





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|-------------------------------|--------------|---------------|--|-------------------|

## 7. ESG Objectives

| Sl. No | Sustainability Issue           | Objective  | Measure                                 | Target Value 2025              |
|--------|--------------------------------|--|---|--------------------------------|
| 1      | Low-Carbon Transportation      | Promote use of EVs/hybrid vehicles for business transport              | % of low-emission vehicles              | ↑ Increase to 10% of fleet     |
| 2      | Ensuring Emissions Compliance  | Comply with applicable local/national GHG emission norms               | % compliance rate                       | ↑ Achieve 100% compliance      |
| 3      | Reducing Energy Consumption    | Lower operational energy use in warehouses and offices                 | kWh                                     | ↓ Reduce 15%                   |
| 4      | Energy Conservation Training   | Train staff on energy-saving practices                                 | Percentage employees trained            | ↑ Train 100 employees (100%)   |
| 5      | Minimizing Transport Emissions | Cut emissions from logistics and distribution                          | CO <sub>2</sub> emissions (tonnes/year) | ↓ Reduce by 50 tonnes (-10%)   |
| 6      | Enhancing Emissions Monitoring | Install tools/systems to monitor scope 1 and 2 emissions               | No. of monitoring tools                 | ↑ Install 2 tools (150%)       |
| 7      | Boosting Employee Engagement   | Involve employees in GHG reduction activities (campaigns, suggestions) | % of staff engaged                      | ↑ Reach 70% engagement         |
| 8      | Controlling Supplier Emissions | Encourage sustainable practices among key suppliers                    | % of compliant suppliers                | ↑ Reach 40% with emission data |
| 9      | Use of Non-Renewable Energy    | Reduce dependency on non-renewable electricity sources                 | % of non-renewable usage                | ↓ Reduce to 70%                |

## 8. Applicable Standards and Regulations

- ISO 14000 & ISO 26000
- United Nations Global Compact (Principle 7-9)
- Global Reporting Initiative (GRI 305: Emissions)
- OECD Guidelines for Multinational Enterprises
- Carbon Disclosure Project (CDP)
- Basel Convention, ADR Agreement
- EU directives, National KSA laws on environment and transport



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|-------------------------------|--------------|---------------|--|--------------------|

## 9. Distribution and Annual Review

This policy is formally communicated and distributed to all CHEMSOL staff, contractors, suppliers, and relevant stakeholders to ensure awareness, understanding, and active participation in greenhouse gas (GHG) reduction efforts. It is integrated into employee training and onboarding programs and made accessible through internal communication platforms. The ESG Committee, under the leadership of the Head of Sustainability, will conduct an annual review of the policy to ensure it remains aligned with evolving regulatory requirements, scientific developments, stakeholder expectations, and company performance metrics. Updates will be documented and communicated promptly to maintain transparency, relevance, and continuous improvement in environmental management practices.

## 10. Disciplinary Action

Non-compliance with this greenhouse gas (GHG) emissions policy will be treated seriously and may lead to disciplinary actions based on the nature and severity of the violation. Consequences may include formal warnings, mandatory retraining, suspension from duties, or termination of employment or contractual agreements. CHEMSOL expects all employees, contractors, and partners to adhere strictly to the policy's requirements to support environmental goals and maintain regulatory compliance. Repeated or intentional breaches, or actions that significantly hinder emission reduction efforts, will result in more severe consequences. The company promotes a culture of accountability and encourages reporting of any non-compliance through established channels.

## 11. Reporting Mechanism

All employees, contractors, and stakeholders are encouraged to report any risks, concerns, or violations related to greenhouse gas (GHG) emissions through CHEMSOL's anonymous ESG hotline or by emailing the ESG Office directly. These reporting channels are established to ensure transparency, accountability, and swift action on any non-compliance or environmental concerns. All reports will be treated with strict confidentiality, and no retaliatory actions will be taken against individuals who report in good faith. The ESG Committee will investigate all submissions promptly and take appropriate corrective measures, reinforcing the company's commitment to environmental responsibility and continuous improvement in GHG management.

## 11. Conclusion

CHEMSOL is dedicated to environmental stewardship and actively reducing its carbon footprint across all operations. Through this GHG Policy, we aim to align with international best practices, regulatory standards, and sustainability goals while fostering a culture of accountability. By doing so, we strive to lead responsibly within our sector and contribute to global climate action.



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|-------------------------------|--------------|---------------|--|--------------------|

## SUSTAINABLE WASTE MANAGEMENT POLICY

### CHEMSOL/ESG/POLICY- 02

#### 1. Purpose

The purpose of this policy is to ensure that CHEMSOL manages materials, chemicals, and waste in a responsible, safe, and legally compliant manner. We are committed to minimizing environmental impacts throughout the lifecycle of materials and chemicals, ensuring safe handling, storage, and transportation practices. Our goal is to reduce waste generation, promote reuse and recycling, and mitigate any risks to human health, property, or the environment. This policy aligns with our sustainability objectives and regulatory requirements, emphasizing our dedication to maintaining high standards of safety, efficiency, and environmental protection across all operations and activities within the company.

#### 2. Scope of Application

##### ◆ Ecosystem Integrity

This policy applies to all employees, contractors, suppliers, logistics partners, and other stakeholders directly or indirectly involved in CHEMSOL's operations. Each individual and organization within the supply chain, from manufacturing to distribution, is responsible for adhering to environmental, safety, and legal requirements as outlined in this policy. Active participation and awareness from all parties are essential to maintaining compliance and minimizing environmental impacts throughout our operations.

##### ◆ Business Area

The policy covers all aspects of CHEMSOL's operations, including the trading, distribution, storage, handling, and transportation of chemical products, additives, raw materials, and spare parts. This includes ensuring the safe and environmentally responsible management of materials throughout their lifecycle, from procurement through to disposal or recycling. Each stage of the supply chain will be subject to rigorous controls to minimize risk and environmental impact.

##### ◆ Geographical Area

This policy applies to all CHEMSOL operations within the Kingdom of Saudi Arabia (KSA), including all business locations, facilities, and distribution networks. Additionally, it covers any cross-border activities related to our operations, such as international logistics, transportation, or trade of materials, ensuring consistent environmental and safety standards across all locations. Compliance with local and international regulations will be maintained in all areas where CHEMSOL operates.



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|-------------------------------|--------------|---------------|--|--------------------|

### 3. Governance

The Environmental, Social, and Governance (ESG) Committee, chaired by the Sustainability Officer and reporting to the Executive Management, will oversee compliance, monitoring, training, incident management, and continuous improvement related to materials, chemicals, and waste management.

### 4. Definitions of Terms

#### ◆ Hazardous Materials

Hazardous materials are chemicals or substances that pose significant risks to human health, safety, or the environment. These materials can be toxic, flammable, corrosive, or reactive, requiring special handling, storage, and disposal procedures to prevent accidents, injuries, and environmental damage.

#### ◆ Waste

Waste refers to any material discarded after its primary use, including hazardous waste, which requires careful management due to its potential harm. Waste management includes safe disposal, recycling, or treatment to minimize environmental impact and adhere to legal and regulatory requirements.

#### ◆ Recycling

Recycling is the process of converting waste materials into reusable materials or products, reducing the need for raw materials and conserving resources. It plays a vital role in waste reduction, energy savings, and environmental sustainability by diverting waste from landfills and minimizing environmental pollution.

#### ◆ ADR

ADR (European Agreement concerning the International Carriage of Dangerous Goods by Road) is a regulatory framework that governs the safe transportation of hazardous materials by road. It establishes protocols for packaging, labeling, and handling dangerous goods to protect people, property, and the environment during transportation across European countries.

#### ◆ Reach

REACH is a European Union regulation that stands for Registration, Evaluation, Authorization, and Restriction of Chemicals. It aims to protect human health and the environment by regulating the manufacture, import, and use of chemical substances. REACH ensures that companies provide adequate safety information and comply with strict environmental standards.



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|-------------------------------|--------------|---------------|--|--------------------|

## 5. Roles and Responsibilities

### ◆ Management

Management is responsible for ensuring the effective implementation of this policy across all operations, allocating necessary resources for its enforcement, and conducting periodic reviews to assess its effectiveness. They are also responsible for ensuring compliance with legal and environmental standards and making necessary adjustments to improve material and waste management practices.

### ◆ Employees

Employees must adhere to safe material handling procedures, participate in relevant training programs, and actively report any instances of non-compliance. Their role is crucial in ensuring that daily operations align with safety, environmental, and regulatory standards, minimizing risks and contributing to the company's sustainability goals.

### ◆ Sustainability Team

The Sustainability Team is tasked with monitoring the performance of this policy, conducting regular audits to assess its effectiveness, and identifying areas for improvement. They will also recommend necessary changes to enhance the policy's impact and support CHEMSOL's long-term environmental objectives, ensuring continuous compliance with industry standards and regulations.

### ◆ Suppliers/Contractors

Suppliers and contractors are expected to comply with CHEMSOL's materials and waste management requirements, ensuring that all products and services provided meet the company's safety and environmental standards. They must work collaboratively with CHEMSOL to minimize environmental impacts, follow proper waste disposal practices, and adhere to all regulatory guidelines.

## 6. Sustainable Waste Management Policy

### 6.1 Promoting Waste Recycling

CHEMSOL is committed to reducing the environmental footprint of office waste by implementing a comprehensive recycling program. This program will focus on reusing and recycling common office materials, such as paper, plastic, and electronic waste. CHEMSOL will establish a sorting system to ensure that waste is directed to the appropriate recycling streams. Materials that cannot be reused within operations will be sent to certified third-party recyclers for proper disposal. Our goal is to minimize landfill waste and support sustainability by ensuring that as much office waste as possible is recycled or repurposed, reducing environmental impact.





## CHEMICAL SOLUTIONS TRADING COMPANY

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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 14 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 6.2 Managing Hazardous Waste

CHEMSOL actively works to minimize waste generation through process optimization, material reduction strategies, and the implementation of proper waste segregation. For any hazardous waste generated, we rely on authorized vendors who comply with the Basel Convention and local KSA environmental laws. Our waste disposal practices are designed to minimize environmental impact and ensure compliance with all relevant regulations. We also strive to implement sustainable waste management practices, including recycling and treatment, to reduce the ecological footprint of our operations while adhering to best industry practices.

## 6.3 Waste Reduction Training

CHEMSOL prioritizes employee safety by providing regular training on the safe handling of hazardous materials, emergency response protocols, and waste management procedures. All employees involved in chemical management are required to complete training programs designed to promote awareness of the risks associated with chemicals and to equip them with the skills to manage those risks safely. Our training programs emphasize the importance of maintaining a safe work environment and compliance with industry standards, fostering a safety-first culture throughout the organization.

CHEMSOL will provide comprehensive training programs to all employees to ensure proper waste reduction, sorting, and disposal practices. These programs will educate employees on the importance of waste minimization, the proper handling of different waste types, and the role they play in achieving the company's sustainability objectives. Regular awareness campaigns and refresher courses will be conducted to keep sustainability top of mind and reinforce waste reduction practices across the organization. By fostering a culture of responsibility, CHEMSOL empowers employees to actively contribute to our waste reduction and recycling efforts, supporting environmental stewardship.

## 6.4 Waste Sorting Practices

CHEMSOL will implement a robust waste sorting system in all office and operational facilities to ensure responsible disposal. Waste will be separated into distinct categories such as paper, plastics, e-waste, and organic materials. Internal teams will be responsible for sorting waste at the source to minimize contamination and ensure that each waste stream is processed according to recycling standards. Materials will be directed to authorized waste management providers for proper disposal or recycling. This system promotes efficient waste management, reduces landfill impact, and contributes to CHEMSOL's sustainability efforts, ensuring compliance with environmental regulations.

## 6.5 Safe Hazardous Material Handling

CHEMSOL is committed to the safe and compliant handling, labeling, storage, and transportation of hazardous materials. We follow both international and local regulations to ensure all materials are stored securely in designated areas with proper segregation and spill control measures in place. Compatibility checks are mandatory to avoid hazardous reactions, ensuring the protection of employees, the environment, and surrounding communities. All staff receive training on the latest best practices and compliance protocols to minimize risks associated with hazardous material management and ensure safe operations at all times.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 15 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

#### 6.6 Minimizing Paper Waste

CHEMSOL aims to significantly reduce paper consumption across all departments by promoting digital documentation, electronic communication, and paperless workflows. We will encourage the use of e-signatures, document management systems, and digital file storage to reduce reliance on paper. Procedures will be put in place to monitor and track paper use, ensuring progress toward reduced consumption. Employees will be trained to utilize digital alternatives, and paperless initiatives will be incorporated into everyday business processes. This initiative will not only reduce paper waste but also improve operational efficiency and contribute to our commitment to environmental sustainability.

#### 6.7 Reducing Air Emissions

CHEMSOL will implement robust measures to control air emissions from chemical handling, focusing on the management of Volatile Organic Compounds (VOCs). This includes using advanced ventilation systems, closed handling systems, and conducting regular maintenance of equipment to minimize air contamination. VOC-emitting chemicals will be handled according to strict guidelines to reduce health and environmental impacts. Through continuous monitoring and adherence to safety standards, CHEMSOL ensures that its operations comply with environmental regulations, while mitigating any harmful effects related to chemical handling and air emissions.

#### 6.8 Optimizing Waste Management

CHEMSOL is committed to reducing waste production by adopting proactive measures in material lifecycle management. We focus on process optimization, waste minimization at the source, and improving materials recovery rates. Where feasible, we integrate circular economy practices to maximize the reuse and recycling of materials. Through continuous evaluation and innovation, we strive to ensure that our waste management processes are sustainable and aligned with global environmental goals. By reducing waste and increasing recycling efforts, CHEMSOL is working towards a more sustainable, resource-efficient future.

#### 6.9 Preventing Chemical Reactions

To mitigate environmental and health risks, CHEMSOL enforces strict segregation protocols for chemicals that are incompatible. These protocols are based on established compatibility charts and Material Safety Data Sheets (MSDS) to prevent hazardous reactions. Employees undergo thorough training to understand chemical compatibility and are equipped with the knowledge to identify risks. Regular checks are performed to ensure that chemicals are stored separately, reducing the potential for dangerous incidents. Our commitment to safe chemical management ensures the health of employees and the protection of the environment.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 16 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 7. ESG Objectives

| Sl. No | Sustainability Issue             | Objective   | Measure                               | Target Value 2025        |
|--------|----------------------------------|---|---------------------------------------|--------------------------|
| 1      | Promoting Waste Recycling        | Increase recycling of operational waste                         | % of total waste recycled             | ↑ Increase to 60%        |
| 2      | Managing Hazardous Waste         | Improve hazardous waste handling and disposal                   | % of hazardous waste properly managed | ↑ Achieve 100%           |
| 3      | Waste Reduction Training         | Conduct training on waste minimization practices                | Percentage employees trained          | ↑ 100%                   |
| 4      | Waste Sorting Practices          | Implement waste segregation at source                           | % of waste sorted                     | ↑ Reach 80% sorting rate |
| 5      | Safe Hazardous Material Handling | Ensure safe handling of hazardous materials                     | No. of safety incidents               | ↓ Reduce to 0 incidents  |
| 6      | Minimizing Paper Waste           | Digitize documentation and reduce paper use                     | % reduction in paper use              | ↓ Reduce by 30%          |
| 7      | Reducing Air Emissions           | Lower emissions from waste handling processes                   | Air pollutant emissions (kg/year)     | ↓ Reduce by 100 kg 5%    |
| 8      | Optimizing Waste Management      | Enhance efficiency in overall waste collection and disposal     | No. of waste audits conducted         | ↑ 1Year                  |
| 9      | Preventing Chemical Reactions    | Prevent unsafe chemical reactions in storage and disposal areas | No. of incidents                      | ↓ Reduce to 0 incidents  |

## 8. Reference Standards, Laws, and Acts

- ADR Agreement
- Basel Convention on Hazardous Waste
- REACH Regulation
- ISO 14001 Environmental Management Systems
- ISO 26000 Social Responsibility
- GRI Standards
- OECD Guidelines for Multinational Enterprises
- United Nations Global Compact (Principles 7, 8, 9)
- KSA National Environmental Standards and Regulations



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 17 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 9. Distribution and Annual Review

This policy will be distributed electronically to all employees and stakeholders and posted in common areas across all CHEMSOL facilities to ensure widespread accessibility. The ESG Committee is responsible for the ongoing review and update of the policy, ensuring its relevance and effectiveness. The policy will be reviewed annually, or more frequently if there are significant regulatory or operational changes that may impact its content or compliance requirements. This ensures that the policy remains aligned with industry best practices, regulatory standards, and CHEMSOL's sustainability goals, fostering continuous improvement in material and waste management practices.

## 10. Disciplinary Action for Policy Violators

Failure to comply with this policy will result in disciplinary action, tailored to the severity of the violation. Initial offenses may lead to retraining or written warnings to address gaps in understanding or behavior. Repeated or severe violations, such as endangering health, safety, or the environment, may result in suspension or termination of employment or contracts. In cases of legal non-compliance or significant harm, legal action may be pursued. The objective of these measures is to reinforce the importance of adhering to safety, environmental, and legal requirements, ensuring a commitment to responsible and compliant operations across all levels of the organization.

## 11. Reporting Mechanism

Employees, contractors, and stakeholders are encouraged to report any concerns related to materials handling, chemical safety, or waste management confidentially through CHEMSOL's ESG Reporting Hotline or dedicated email channel. These channels are designed to provide a safe and anonymous avenue for reporting potential violations, safety hazards, or non-compliance with environmental and operational standards. All reports will be taken seriously, thoroughly investigated, and addressed promptly to ensure compliance with the company's policies and legal requirements.

## 12. Conclusion

CHEMSOL is dedicated to safeguarding the environment and ensuring the safe handling, storage, and disposal of all materials and chemicals within our operations. This policy demonstrates our commitment to sustainable business practices, legal compliance, and the reduction of environmental impacts. We strive for continuous improvement by implementing responsible material management, promoting safety, and adhering to environmental regulations. By focusing on waste reduction, recycling, and resource optimization, CHEMSOL aims to minimize its ecological footprint while fostering a culture of sustainability across all levels of the organization, ensuring long-term environmental protection and business success.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 18 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## GREEN ACTION POLICY

CHEMSOL/ESG/POLICY- 03

### 1. Purpose

The purpose of this policy is to formalize CHEMSOL's commitment to promoting sustainable environmental practices across all trading and distribution activities. We strive to integrate environmental responsibility into our core business operations and decision-making processes. Through proactive environmental advocacy, we aim to empower our customers, partners, and stakeholders to make informed, environmentally conscious choices. CHEMSOL is dedicated to providing products, services, and solutions that help minimize environmental impacts across entire product life cycles, from sourcing to end use. Our ultimate goal is to drive continuous improvement and contribute positively to global sustainability efforts.

### 2. Scope of Application

#### ◆ Green Compliance

This policy applies to all CHEMSOL employees, suppliers, distributors, and third-party contractors engaged in or supporting our operations. Every individual associated with CHEMSOL is expected to uphold the company's commitment to sustainable environmental practices. Compliance with this policy is mandatory to ensure consistency in promoting environmental responsibility across our business activities. All internal and external parties must align with the standards and values outlined herein to collectively contribute toward CHEMSOL's sustainability goals.

#### ◆ Business Area

This policy covers all trading and distribution activities related to special additives, pigments and dyes, food and feed ingredients, construction chemicals, oil and gas materials, mining chemicals, water treatment chemicals, electroplating chemicals, plastics, rubber, adhesives, paints, coatings, and equipment spare parts. All operations, from sourcing and storage to transportation and delivery, must align with CHEMSOL's environmental stewardship principles. Every department and associated function is responsible for integrating sustainable practices into their daily business activities and decision-making processes.

#### ◆ Geographical Area

This policy applies to all CHEMSOL operations within the Kingdom of Saudi Arabia (KSA), where we are fully committed to complying with local environmental laws and regulations. Additionally, CHEMSOL aspires to align with international best practices in sustainability for any current or future cross-border operations. We recognize that our environmental responsibility extends beyond national boundaries, and we are dedicated to ensuring our operations have a positive impact both locally and globally.





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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 19 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

### 3. Governance

The policy is managed by the ESG Committee, with direct reporting to Executive Management. Regular oversight is conducted by the Environmental Officer, working collaboratively with the Sales, Procurement, Compliance, and Communications teams to ensure that environmental practices are effectively integrated across all trading, distribution, and operational activities.

### 4. Definition of Terms

#### ◆ Environmental Advocacy

Environmental advocacy at CHEMSOL involves activities and initiatives aimed at raising awareness, educating stakeholders, and promoting environmentally responsible behaviors. This includes sharing knowledge on sustainable practices, hosting workshops, participating in environmental campaigns, and collaborating with industry partners to drive collective environmental action. Our goal is to influence positive environmental outcomes by empowering employees, customers, and partners to make informed, eco-conscious decisions that contribute to broader sustainability goals and compliance with international environmental standards.

#### ◆ Sustainable Consumption

Sustainable consumption at CHEMSOL means selecting products and services that minimize negative environmental impacts throughout their life cycles. We promote the use of eco-friendly raw materials, energy-efficient technologies, and low-impact production methods. By encouraging responsible purchasing decisions internally and externally, CHEMSOL aims to reduce resource depletion, carbon footprint, and waste generation, thereby fostering a culture of environmental stewardship among employees, customers, and stakeholders in alignment with global sustainability principles.

#### ◆ Eco-Labeling

Eco-labeling at CHEMSOL refers to the certification and labeling of products that meet specific environmental standards and performance criteria. This process provides transparent information to consumers and business partners about the environmental attributes of products, such as reduced emissions, recycled content, or energy efficiency. CHEMSOL supports eco-labeling initiatives to encourage sustainable product choices, differentiate environmentally friendly options, and reinforce our commitment to environmental integrity, ensuring that our trading and distribution practices align with recognized environmental benchmarks.

### 5. Roles and Responsibilities

#### ◆ Executive Management

Executive Management at CHEMSOL is responsible for approving this policy and overseeing its successful implementation. They ensure that environmental objectives are integrated into business strategies and allocate necessary resources to support sustainability initiatives.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 20 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

Executive Management also sets the tone for environmental responsibility, regularly reviewing policy outcomes, and holding leadership accountable for meeting environmental goals. Their active involvement ensures alignment with CHEMSOL's ESG strategy and long-term commitment to environmental stewardship and responsible business practices.

#### ◆ Environmental Officer

The Environmental Officer leads CHEMSOL's environmental advocacy initiatives and ensures regulatory compliance. This role involves designing and executing awareness programs, monitoring environmental performance, and ensuring that the company adheres to both internal standards and external environmental regulations. The Environmental Officer collaborates with various departments to integrate sustainability practices across operations and acts as a key advisor to management on emerging environmental risks and opportunities, driving continuous improvement and fostering a strong culture of environmental responsibility.

#### ◆ Sales and Marketing Teams

Sales and Marketing Teams at CHEMSOL play a critical role in educating customers and business partners about sustainable products and practices. They are responsible for promoting eco-friendly solutions, communicating the environmental benefits of products, and ensuring that sustainability messages are integrated into marketing campaigns. By aligning customer interactions with CHEMSOL's environmental goals, they help build a brand reputation centered on sustainability, encourage responsible purchasing behaviors, and contribute directly to the company's broader environmental advocacy efforts.

#### ◆ All Employees

All employees at CHEMSOL are expected to comply with and actively promote the principles outlined in this environmental advocacy policy. Employees should integrate sustainable practices into their daily tasks, support awareness initiatives, and participate in training programs focused on environmental responsibility. By embedding these practices in their roles, employees help drive CHEMSOL's environmental mission forward, ensuring the company operates with minimal environmental impact and maintains a strong commitment to continuous improvement in sustainability practices.

## 6. Green Action Policy

### 6.1 Promoting Sustainable Training

Without adequate training, customers may unintentionally engage in environmentally harmful practices. CHEMSOL is dedicated to bridging this gap by organizing regular training sessions, workshops, and webinars focused on sustainable practices. Topics will include product lifecycle impacts, environmental stewardship, sustainable procurement, efficient resource use, and safe chemical handling and disposal. By empowering customers with knowledge and skills, we aim to improve their environmental performance, ensure regulatory compliance, and promote a culture of sustainability throughout the industries we serve. CHEMSOL believes that informed customers are key partners in driving environmental responsibility and sustainable growth.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 21 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 6.2 Reducing Carbon Footprint

A high carbon footprint from customer operations contributes to climate change and environmental degradation. CHEMSOL aims to help customers reduce their carbon footprint by offering energy-efficient, low-impact, and environmentally responsible alternatives wherever possible. In addition to supplying greener products, we will provide customers with practical guidance and best practices for minimizing emissions during the storage, handling, and application of materials. By promoting carbon-conscious decision-making and supporting customers' sustainability initiatives, CHEMSOL aspires to contribute positively to the global effort to combat climate change and encourage sustainable industrial practices across sectors.

## 6.3 Preventing Discrimination and Harassment

CHEMSOL is dedicated to providing customers with clear, accurate, and comprehensive information regarding the environmental and social impacts of our products. This transparency empowers customers to make informed, sustainable purchasing decisions. We offer product lifecycle assessments, environmental datasheets, and details on our social responsibility initiatives. This information covers key factors such as energy consumption, material sourcing, recycling potential, and compliance with environmental standards. By ensuring full disclosure, CHEMSOL helps customers understand the broader impact of their choices and supports their efforts toward more sustainable operations.

## 6.4 Ensuring Proper Disposal

Improper disposal of chemicals and waste can cause significant environmental damage. CHEMSOL is committed to addressing this risk by offering clear disposal guidelines, educating customers on safe handling practices, and promoting responsible end-of-life management for products. Where feasible, we will implement take-back programs to help customers dispose of products safely. Additionally, CHEMSOL will partner with licensed, certified waste management companies to ensure that all hazardous and non-hazardous waste generated is treated, recycled, or disposed of in compliance with environmental regulations, thereby minimizing the risk of contamination and promoting a cleaner, safer environment.

## 6.5 Environmental Compliance Gaps

Non-compliance with environmental regulations can result in legal penalties and environmental harm. CHEMSOL is fully committed to meeting and exceeding all applicable local and international environmental laws and regulations. We will ensure that our employees, suppliers, and customers are aware of the compliance requirements related to hazardous materials, waste management, emissions control, and transportation of dangerous goods. Educational initiatives, including training sessions and guidance documents, will be regularly conducted to close knowledge gaps. CHEMSOL's proactive compliance approach strengthens our commitment to sustainability, protects our business operations, and promotes best practices across our stakeholder network.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 22 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

#### 6.6 Raising Environmental Awareness

CHEMSOL recognizes that limited customer awareness about environmental impacts can contribute to unsustainable practices. To mitigate this risk, we are committed to educating customers by providing transparent, accessible information about our products' environmental profiles. This will include eco-labeling, sustainability datasheets, environmental certifications, and targeted awareness seminars. We will ensure customers understand the importance of responsible purchasing and usage decisions, enabling them to choose products that support sustainability goals. By fostering a well-informed customer base, CHEMSOL aims to reduce the environmental footprint across the value chain and promote sustainable consumption patterns.

#### 6.7 Offering Sustainable Products

CHEMSOL is committed to offering a diverse range of eco-friendly and green products that minimize environmental impacts throughout their entire lifecycle. From responsible raw material sourcing to energy-efficient manufacturing processes and end-of-life disposal, our products are designed to reduce pollution, waste, and resource consumption. We prioritize sustainable resources, ensuring that our products align with the global demand for sustainability. By continuously innovating and expanding our portfolio, CHEMSOL aims to lead the way in providing environmentally responsible solutions to industries committed to reducing their ecological footprint.

#### 6.8 Offering Sustainable Solutions

CHEMSOL is committed to transparency in informing customers about the environmental and social impacts of our products. We provide comprehensive details on the sustainability of our products, including their carbon footprint, recyclability, and potential environmental or social effects throughout their lifecycle. This information enables customers to make informed purchasing decisions, considering the broader implications of their choices. By promoting transparency, we empower our customers to actively contribute to sustainability efforts and make choices that align with their environmental and social values, helping to create a more sustainable future for all.

#### 6.9 Communicating Product Impacts

CHEMSOL is committed to transparency by providing customers with clear information about the environmental and social impacts of our products. We disclose details such as the carbon footprint, recyclability, and potential environmental or social effects that may arise during the production and usage of our products. This transparency empowers customers to make informed decisions, aligning their purchasing choices with their values on sustainability. By offering this information, we enable our customers to contribute to more sustainable practices, fostering a positive impact on both the environment and society, and promoting long-term responsible consumption.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 23 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 7. ESG Objectives

| Sl. No | Sustainability Issue                     | Objective  | Measure                                 | Target Value 2025                |
|--------|--|--|---|----------------------------------|
| 1      | Promoting Sustainable Training           | Conduct training sessions on sustainability practices            | Percentage of training sessions         | ↑ 100%                           |
| 2      | Reducing Carbon Footprint                | Minimize carbon footprint across operations                      | CO <sub>2</sub> emissions (tonnes/year) | ↓ Reduce by 5%                   |
| 3      | Preventing Discrimination and Harassment | Strengthen a respectful, inclusive workplace environment         | No. of incidents reported               | ↓ Reduce to 0 incidents          |
| 4      | Ensuring Proper Disposal                 | Improve disposal practices for hazardous and non-hazardous waste | % compliance in waste disposal          | ↑ Achieve 100% compliance        |
| 5      | Environmental Compliance Gaps            | Identify and close compliance gaps                               | No. of gaps closed                      | ↑ Close 2 gaps                   |
| 6      | Raising Environmental Awareness          | Conduct awareness programs for employees and suppliers           | No. of awareness programs               | ↑ Organize 4 programs (+120%)    |
| 7      | Offering Sustainable Products            | Increase product offerings with sustainability certifications    | % of sustainable products               | ↑ Reach 35% of product portfolio |
| 8      | Offering Sustainable Solutions           | Develop and promote eco-friendly solutions for clients           | No. of sustainable solutions offered    | ↑ Offer 5 solutions              |
| 9      | Communicating Product Impacts            | Clearly disclose environmental impacts of products               | % of products with impact disclosure    | ↑ Achieve 60% disclosure rate    |

## 8. Reference to Various Applicable Standards, Laws, Acts

- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal
- European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR)
- EU Directive on Batteries and Waste Batteries
- ISO 14000 (Environmental Management)
- ISO 26000 (Social Responsibility)
- United Nations Global Compact – 10 Principles
- Global Reporting Initiative (GRI Standards)
- Carbon Disclosure Project (CDP)
- Relevant KSA national environmental regulations and laws





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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 24 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 9. Distribution and Annual Review

The Environmental Advocacy Policy will be distributed to all CHEMSOL employees, partners, and third-party contractors through multiple channels, including email communication, the company intranet, and on boarding materials for new hires and contractors. This ensures that all stakeholders are aware of and aligned with the policy's objectives and practices. The policy will be reviewed annually by the ESG Committee to assess its effectiveness, identify areas for improvement, and incorporate stakeholder feedback. Additionally, it will be updated promptly to reflect any significant changes in environmental regulations, industry standards, or CHEMSOL's business operations.

## 10. Disciplinary Action for Policy Violators

Violations of the Environmental Advocacy Policy will be addressed in accordance with CHEMSOL's Disciplinary Code. Depending on the severity and frequency of the violation, corrective actions may include mandatory retraining sessions, verbal or written warnings, suspension, or, in cases of serious or repeated non-compliance, termination of employment or contract. All incidents will be thoroughly investigated by the HR Department in collaboration with the ESG Committee to ensure fairness and transparency. CHEMSOL is committed to maintaining high standards of environmental responsibility, and all employees, partners, and contractors are expected to uphold these principles diligently.

## 11. Reporting Mechanism

All employees, suppliers, and contractors are encouraged to promptly report any environmental concerns, incidents, or suggestions for improvement to support CHEMSOL's commitment to sustainability. Reports can be submitted through the internal ESG Reporting Platform or directly communicated in confidence to the Environmental Officer. All submissions will be treated seriously and confidentially, with appropriate follow-up actions taken to address the issues raised. The ESG Committee will regularly review reported concerns to identify trends, implement corrective actions, and drive continuous improvement in environmental performance across the organization. Active participation in this reporting process is essential for maintaining CHEMSOL's ESG standards.

## 12. Conclusion

CHEMSOL believes that environmental protection is a shared responsibility. Through advocacy, services, and continuous engagement, we aim to enable customers and partners to adopt sustainable practices and contribute to a healthier planet for future generations.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 25 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## ETHICAL CONDUCT POLICY

CHEMSOL/ESG/POLICY- 04

### 1. Purpose

The purpose of this policy is to establish CHEMSOL's zero-tolerance stance toward corruption, bribery, fraud, money laundering, and conflicts of interest. It aims to safeguard the company's integrity, reputation, and trust among stakeholders. By clearly defining unacceptable behaviors and promoting ethical standards, this policy helps mitigate legal, financial, and operational risks. It ensures compliance with national and international regulations while fostering a transparent, accountable, and ethical business culture throughout all levels of the organization.

### 2. Scope of Application

#### ◆ Conduct Standards

This policy applies to all CHEMSOL employees, directors, contractors, consultants, business partners, and suppliers. Everyone engaged with CHEMSOL, regardless of their employment status or contractual relationship, is expected to comply fully with the standards outlined in this policy. It reinforces the responsibility shared by all parties to act with integrity, avoid unethical conduct, and promote a transparent business environment that supports CHEMSOL's values and legal obligations across all operations.

#### ◆ Business Area

The policy covers all CHEMSOL business units, including the trading and distribution of Special Additives, Pigments & Dyes, Food and Feed Ingredients, and Raw Materials for industries such as Adhesives, Plastics, Rubber, Paints, Coatings, Oil & Gas, Water Treatment, Construction, Mining, Electroplating, and Equipment Spare Parts. It ensures that anti-corruption, anti-fraud, and ethical business practices are upheld consistently across all sectors of operations, regardless of the industry segment or type of commercial engagement.

#### ◆ Geographical Area

This policy applies to all CHEMSOL operations and business activities conducted within Saudi Arabia (KSA) and internationally. Regardless of location, all employees, contractors, and business partners are expected to adhere to the same high ethical standards and legal compliance requirements. The policy ensures a unified approach to ethical conduct, aligning with local regulations and global best practices wherever CHEMSOL operates, thereby maintaining consistency in governance across all regions.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 26 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

### 3. Governance

The Board of Directors holds ultimate oversight of this policy, ensuring it aligns with CHEMSOL's core values, ethical standards, and legal obligations. The Compliance Officer is responsible for implementing, monitoring, and enforcing the policy across all operations, with direct reporting to the Board regarding compliance status and any violations. This policy will undergo an annual review to incorporate legal updates, operational feedback, and evolving best practices, with any revisions clearly communicated to all employees, contractors, and stakeholders.

### 4. Definition of Terms

#### ◆ Corruption

Corruption involves the offering, accepting, or soliciting of anything of value — such as gifts, payments, or favors — to improperly influence the decisions, actions, or behavior of an individual in a position of authority. It undermines trust, distorts fair business practices, and poses serious legal and reputational risks to organizations. At CHEMSOL, corruption in any form is strictly prohibited, and all employees and stakeholders are expected to uphold the highest standards of ethical conduct.

#### ◆ Bribery

Bribery is a specific type of corruption where monetary payments, gifts, or services are exchanged to unduly influence the actions or decisions of another party. It is illegal and unethical, leading to unfair business advantages and serious legal consequences. CHEMSOL strictly prohibits any form of bribery, whether direct or indirect, and expects all employees, partners, and associates to report any attempts or suspicions of bribery immediately through appropriate internal channels.

#### ◆ Fraud

Fraud encompasses deceptive practices carried out with the intention of securing financial or personal gain or causing financial harm to another party. It includes falsifying documents, misrepresentation, embezzlement, and manipulation of financial records. CHEMSOL has zero tolerance for fraudulent activities and implements strict controls and audit mechanisms to detect, prevent, and respond to any such incidents. Employees are expected to act with honesty and integrity at all times, safeguarding the company's assets and reputation.

#### ◆ Money Laundering

Money laundering refers to the process by which criminals disguise the origins of illegally obtained funds to make them appear legitimate. This involves transactions intended to conceal the source, ownership, or control of illicit proceeds. CHEMSOL maintains robust anti-money laundering (AML) measures, including thorough due diligence, transaction monitoring, and reporting obligations, to prevent its operations from being used to facilitate criminal activities. All employees must remain vigilant and report any suspicious financial transactions.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 27 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

#### ◆ Conflict of Interest

A conflict of interest occurs when an individual's personal interests could improperly influence their professional decisions or actions, leading to biased or unethical outcomes. Examples include financial investments, personal relationships, or outside employment that compromise objectivity. At CHEMSOL, employees and stakeholders must disclose any potential conflicts immediately and refrain from participating in activities where impartiality is at risk. Maintaining transparency and loyalty to CHEMSOL's best interests is a fundamental expectation for all personnel.

## 5. Roles and Responsibilities

#### ◆ Board of Directors

The Board of Directors holds the ultimate responsibility for approving and overseeing the Anti-Corruption, Bribery, Fraud, Money Laundering, and Conflict of Interest Policy at CHEMSOL. They ensure that the policy is consistently aligned with the company's ethical standards, core values, and legal obligations. The Board provides strategic guidance, supports a culture of integrity, and receives regular reports from the Compliance Officer on compliance activities, policy effectiveness, and any incidents of non-compliance, ensuring appropriate action is taken where necessary.

#### ◆ Compliance Officer

The Compliance Officer is tasked with managing the implementation and monitoring of the policy across all operations. Their responsibilities include conducting regular training sessions, raising awareness among employees and stakeholders, investigating any reported allegations of unethical behavior, and ensuring timely and effective corrective actions. The Compliance Officer maintains clear communication with the Board of Directors, providing periodic updates and recommendations. They serve as the primary point of contact for reporting concerns and ensuring that compliance frameworks are effectively maintained.

#### ◆ Managers and Supervisors

Managers and supervisors play a critical role in enforcing CHEMSOL's policy by actively promoting awareness and adherence within their teams. They are responsible for setting a strong example through ethical leadership, ensuring that all employees under their supervision understand and comply with the policy requirements. Managers must also create an environment where employees feel safe to report concerns without fear of retaliation and are obligated to promptly report any suspected violations or unethical behavior through the designated reporting channels.

#### ◆ Employees

All employees are required to fully comply with the Anti-Corruption, Bribery, Fraud, Money Laundering, and Conflict of Interest Policy. They must complete all required training, maintain the highest ethical standards in their professional conduct, and avoid any activities that could lead to conflicts of interest.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 28 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

Employees are also responsible for promptly reporting any suspected or actual cases of unethical behavior, misconduct, or violations of the policy through confidential and approved reporting mechanisms. Maintaining integrity is a shared responsibility at CHEMSOL.

## 6. Ethical Conduct Policy

### 6.1 Bribery Risk

CHEMSOL enforces a strict prohibition against all forms of bribery, regardless of whether it involves government officials, employees, suppliers, or any business associates. Employees must not offer, solicit, or accept anything of value intended to improperly influence business decisions or secure any improper advantage. Transparency and accountability are essential in all company dealings. CHEMSOL promotes a zero-tolerance approach to bribery by fostering a culture of integrity, providing regular anti-bribery training, and establishing internal mechanisms for reporting suspicious behavior. Strict disciplinary action will be taken against anyone found engaging in bribery, and preventative measures are in place to reduce bribery risks at every level of the organization.

### 6.2 Employee Ethics Training

CHEMSOL mandates ongoing training on corruption and bribery prevention for all employees, including new hires and staff in high-risk departments. Training programs incorporate a variety of methods such as online modules, workshops, case studies, slide decks, quizzes, and certification to ensure comprehensive understanding. Employees are required to complete these training programs regularly. Training records, including attendance logs and certificates of completion, are maintained for compliance tracking and audit purposes. This approach ensures that employees are consistently updated on the company's anti-corruption policies and practices to mitigate potential risks.

### 6.3 Conflict of Interest Risk

CHEMSOL expects all employees, contractors, and business partners to act solely in the best interests of the company, ensuring that their personal, financial, or other outside interests do not compromise their professional duties. Employees must avoid any situations where personal gain could interfere with company responsibilities. All actual, potential, or perceived conflicts of interest must be disclosed immediately to the Compliance Officer or senior management. Appropriate action will be taken to resolve conflicts, which may include reassignment of duties or other mitigating measures. Transparency, disclosure, and ethical decision-making are critical to preserving trust, fairness, and the integrity of all company operations.

### 6.4 Fraud

CHEMSOL adopts a zero-tolerance stance on fraud, whether it involves financial misreporting, misappropriation of assets, falsification of records, or any other deceitful practices intended for personal or organizational gain. Employees are required to act honestly and with integrity in all dealings. Suspected fraudulent activities will trigger thorough internal investigations, followed by appropriate disciplinary action, including possible termination and legal action.





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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 29 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

CHEMSOL believes in creating a strong control environment that detects, deters, and responds decisively to any form of fraudulent behavior to protect our assets, reputation, and stakeholders.

#### 6.5 Money Laundering

CHEMSOL is firmly committed to combating money laundering and ensuring that all financial transactions conducted are legitimate, transparent, and compliant with relevant anti-money laundering (AML) regulations. We will implement stringent financial controls, including customer due diligence (CDD), transaction monitoring, record keeping, and mandatory reporting of suspicious activities. Employees must be vigilant in identifying and escalating any potential money laundering risks through the designated reporting channels. Training sessions will be provided to enhance awareness and understanding of money laundering schemes and their red flags. By maintaining robust financial practices, CHEMSOL safeguards its reputation and contributes to the integrity of the global financial system.

#### 6.6 Sensitive Transaction Approval

CHEMSOL has established a specific approval procedure for sensitive transactions to minimize the risk of corruption. Any transaction involving external stakeholders that may be perceived as favors—such as hospitality, travel, or gifts—requires prior approval. These transactions are assessed based on defined criteria, including value limits, transaction type, and potential for personal benefit. This process ensures that all sensitive transactions are transparent, thoroughly evaluated, and compliant with our ethical standards. By adhering to this procedure, we reduce the risk of unethical practices and uphold our commitment to integrity and responsible business conduct.

#### 6.7 Data Privacy and Security

CHEMSOL places the utmost importance on safeguarding third-party data from unauthorized access or disclosure. To ensure data protection, we implement comprehensive internal controls, including restricted access rights, encryption protocols, and secure data storage systems. Physical documents are secured in locked facilities, while digital information is protected through role-based access and regular system monitoring. Routine internal audits and employee training programs reinforce compliance with data privacy standards. By maintaining these safeguards, CHEMSOL upholds confidentiality, mitigates the risk of data breaches, and strengthens stakeholder trust. Our commitment to data security reflects our broader dedication to ethical and responsible business practices.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 30 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 7. ESG Objectives

| Sl. No | Sustainability Issue      | Objective   | Measure                      | Target Value 2025                    |
|--------|---------------------------|---|------------------------------|--------------------------------------|
| 1      | Bribery Risk              | Minimize exposure to bribery across all business operations | No. of bribery incidents     | ↓ Reduce to 0 incidents              |
| 2      | Employee Ethics Training  | Conduct training programs on anti-corruption and ethics     | Percentage employees trained | ↑ Train 100 % employees              |
| 3      | Conflict of Interest Risk | Identify and address potential conflicts of interest        | No. of disclosures received  | ↑ Capture 100% disclosures           |
| 4      | Fraud                     | Detect and prevent fraud in all transactions and processes  | No. of fraud cases detected  | ↓ Reduce to 0 cases                  |
| 5      | Money Laundering          | Strengthen anti-money laundering checks and awareness       | % of transactions screened   | ↑ Achieve 100% transaction screening |

## 8. Reference to Applicable Standards, Laws, and Acts:

- Foreign Corrupt Practices Act (FCPA) of 1977
- United Nations Convention Against Corruption (UNCAC)
- OECD Guidelines for Multinational Enterprises
- United Nations Global Compact (10 Principles)
- ISO 26000 (International Standard on Social Responsibility)
- Standard Global Reporting Initiative (GRI)
- Saudi Anti-Corruption Laws
- Anti-Money Laundering Laws in Saudi Arabia

## 9. Distribution and Annual Review:

The policy will be distributed to all employees, contractors, and business partners during their onboarding process to ensure early awareness and understanding. It will also be made readily accessible at all times through the company's intranet platform. Regular communication and refresher sessions will reinforce the policy's importance. The Governance Committee will conduct an annual review of the policy to assess its effectiveness, relevance, and alignment with evolving legal requirements and best practices. Any necessary updates will be incorporated promptly, and all stakeholders will be notified of changes to maintain full compliance and continuous commitment to ethical standards.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 31 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 10. Reporting Mechanism

CHEMSOL has established a Whistleblower Hotline to provide employees with an anonymous and confidential channel to report any concerns related to corruption, bribery, fraud, or conflicts of interest without fear of retaliation. In addition to the hotline, employees are encouraged to report issues directly to the Compliance Officer or through their respective department managers. All reported concerns will be thoroughly investigated by the Compliance Officer, ensuring a fair and unbiased process. Based on the investigation findings, appropriate corrective actions will be implemented to address and resolve any misconduct.

## 11. Conclusion

CHEMSOL is committed to conducting business with the highest ethical standards and compliance with local and international laws. This policy reinforces our dedication to preventing corruption and maintaining trust with our customers, employees, and stakeholders. By fostering a culture of transparency, integrity, and accountability, we aim to mitigate the risks of corruption and bribery across all operations.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 32 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## INFORMATION SECURITY REPORTING POLICY

### CHEMSOL/ESG/POLICY- 05

## 1. Purpose

The purpose of this Whistleblower Procedure is to provide stakeholders, including employees, suppliers, contractors, and others, with a secure and confidential channel to report any concerns related to breaches or potential breaches of information security. This policy promotes transparency and accountability in the management of third-party data, ensuring that sensitive information is protected and that CHEMSOL remains in compliance with relevant data protection regulations. By encouraging the reporting of concerns, the company strengthens its commitment to safeguarding the integrity of its data systems and fostering a culture of trust and ethical behavior within the organization.

## 2. Scope of Application

### ◆ Access Control

This policy applies to all individuals associated with CHEMSOL, including employees, contractors, suppliers, business partners, and any third parties who have access to the company's systems, services, or confidential information. It extends to anyone involved in handling or processing third-party data, ensuring that all stakeholders are aware of their responsibility in reporting any information security concerns. By applying universally across the organization, the policy ensures that all parties understand their roles in protecting sensitive data and maintaining information security standards.

### ◆ Business Area

The policy applies across all departments and operations within CHEMSOL that handle or process third-party confidential information, such as customer data, business partner intellectual property, and employee personal identifiable information (PII). It covers all business functions that deal with the collection, storage, processing, or sharing of sensitive data, including sales, legal, finance, IT, and operations. By ensuring that every relevant department adheres to this policy, CHEMSOL ensures comprehensive protection of third-party information throughout its value chain.

### ◆ Geographical Area

This policy is applicable across all geographic locations where CHEMSOL operates, with particular emphasis on the Kingdom of Saudi Arabia (KSA). It is designed to ensure compliance with local data protection laws, as well as international regulations governing the privacy and security of third-party information. Such as the General Data Protection Regulation (GDPR) and other relevant global frameworks. By extending the policy's coverage to all jurisdictions, CHEMSOL safeguards its operations globally and ensures that all regional legal requirements are met.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 33 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

### 3. Governance

The governance of this policy is entrusted to CHEMSOL's Chief Information Security Officer (CISO), who oversees the implementation, monitoring, and periodic review of all information security procedures. The CISO ensures that the company adheres to data protection regulations and internal security protocols. Additionally, the IT department supports the technical aspects of data security, while Human Resources manages employee training, awareness, and incident response. This collaborative approach ensures that all relevant departments work together to maintain a secure environment, identify potential vulnerabilities, and continuously improve CHEMSOL's data protection practices in compliance with legal and regulatory standards.

### 4. Definition of Terms

#### ◆ Whistleblower

A whistleblower is an individual, whether internal or external to CHEMSOL, who reports concerns regarding potential violations of information security policies or breaches. Whistleblowers play a crucial role in maintaining the integrity of the company's operations by alerting management to issues that could threaten the confidentiality, security, or compliance of sensitive information. CHEMSOL encourages employees, contractors, and third-party stakeholders to report concerns without fear of retaliation, fostering a transparent and ethical work environment.

#### ◆ Information Security

Information security refers to the set of practices and measures taken to protect sensitive data from unauthorized access, disclosure, alteration, or destruction. It involves ensuring the confidentiality, integrity, and availability of data across all systems and platforms within the company. CHEMSOL implements strict data protection controls to safeguard both internal and third-party information from cyber threats, ensuring compliance with applicable data protection laws and industry standards to maintain operational trustworthiness and mitigate risks related to information security breaches.

#### ◆ Third-party Data

Third-party data refers to confidential and proprietary information belonging to CHEMSOL's customers, suppliers, business partners, and other external entities that CHEMSOL handles or processes during the course of its operations. This data may include personal identification information (PII), intellectual property, trade secrets, and other sensitive business information. CHEMSOL takes the responsibility of protecting third-party data seriously and implements robust security measures to prevent unauthorized access or misuse. Compliance with relevant data protection laws ensures that CHEMSOL meets its obligations to safeguard the privacy of third-party data.

#### ◆ Data Breach

A data breach occurs when confidential information is accessed, disclosed, or acquired by unauthorized individuals or systems, potentially causing harm to the individuals or organizations involved. These breaches can lead to financial loss, legal consequences, and damage to a company's reputation.





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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 34 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

CHEMSOL takes proactive steps to prevent data breaches by maintaining strong security practices, conducting regular vulnerability assessments, and implementing access controls. In the event of a breach, CHEMSOL follows an incident response plan to mitigate risks and notify affected parties as per legal and regulatory requirements.

#### ◆ Confidentiality Agreement

A confidentiality agreement is a legal contract between parties that obligates them to protect confidential information shared during business interactions. This agreement ensures that sensitive data, such as trade secrets, proprietary information, and personal data, is not disclosed to unauthorized individuals or entities. CHEMSOL requires employees, contractors, suppliers, and business partners to sign confidentiality agreements to formalize their commitment to safeguarding confidential information. These agreements are a critical component of CHEMSOL's information security framework, helping to prevent data leaks and reinforcing the company's compliance with data protection laws and industry standards.

## 5. Roles and Responsibilities

#### ◆ Whistleblower

The whistleblower is responsible for reporting any suspected or actual breaches of information security promptly and confidentially. This individual plays a key role in identifying potential threats and vulnerabilities that could jeopardize the security of sensitive information. CHEMSOL ensures that whistleblowers are protected from retaliation and can report in good faith, contributing to the company's commitment to maintaining a transparent and secure information environment.

#### ◆ Information Security Team

The Information Security Team is responsible for investigating reported concerns related to information security and taking necessary corrective actions to mitigate risks. This team evaluates the nature and severity of the reported incidents, ensures compliance with internal protocols, and implements improvements in security measures. They also collaborate with other departments to prevent future breaches and strengthen the organization's security posture, maintaining the confidentiality and integrity of third-party data.

#### ◆ Compliance Officer

The Compliance Officer ensures that the whistleblower procedure aligns with relevant regulations, industry standards, and CHEMSOL's internal policies. This individual monitors the effectiveness of the reporting system, ensures timely investigations, and helps integrate regulatory requirements into the procedure. The Compliance Officer works with legal and security teams to ensure proper handling of whistleblower reports and that corrective actions are in accordance with national and international data protection laws, ensuring overall compliance and accountability within the organization.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 35 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

#### ◆ Employees and Contractors

Employees and contractors are required to participate in training programs on information security and adhere to established security protocols. Their role involves understanding potential risks, recognizing security breaches, and acting in line with CHEMSOL's guidelines to protect sensitive data. By maintaining a culture of vigilance, they contribute to the prevention of information security incidents. Compliance with security practices, such as secure data handling and reporting breaches, is essential for safeguarding company and third-party information.

## 6. Information security Report Policy

### 6.1 Ensuring Data Confidentiality

CHEMSOL is committed to ensuring the secure collection, processing, and storage of third-party confidential information. All sensitive data is stored in encrypted systems, protected by robust access controls to prevent unauthorized access. Data sharing is strictly limited to authorized individuals only. To mitigate potential risks, regular security audits and vulnerability assessments are performed. By adhering to stringent security measures and continuously assessing risks, CHEMSOL ensures the confidentiality, integrity, and availability of third-party data while meeting legal and regulatory obligations for data protection.

### 6.2 Strengthening Security Awareness

CHEMSOL prioritizes ongoing employee and contractor education regarding information security practices. Each year, comprehensive training sessions are conducted to ensure all individuals understand how to handle and protect third-party confidential information. The training curriculum covers important topics such as data privacy laws, recognizing cybersecurity risks, and adopting best practices for data protection. These programs aim to ensure that employees and contractors remain informed of emerging threats and equipped to take appropriate measures to protect sensitive information in their daily operations.

### 6.3 Ensuring Third-Party Compliance

CHEMSOL takes proactive steps to ensure that third-party suppliers, contractors, and partners comply with stringent data protection standards. Regular security assessments and audits are conducted to evaluate the information security practices of external parties that have access to confidential information. These audits examine aspects such as encryption protocols, data storage security, and compliance with relevant legal and regulatory requirements. CHEMSOL works closely with third-party vendors to ensure their security measures align with the company's standards, minimizing the risk of data breaches or non-compliance.

### 6.4 Data Breach Response

In the event of a data breach, CHEMSOL has developed a clear and structured incident response plan to minimize the impact. The plan includes immediate containment of the breach, comprehensive communication with affected parties, and identification of the root cause to prevent future occurrences.



## CHEMICAL SOLUTIONS TRADING COMPANY

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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 36 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

A dedicated response team is assigned to manage the breach recovery process, ensuring a swift and coordinated approach. Post-incident, CHEMSOL conducts a detailed analysis to assess vulnerabilities, implement corrective actions, and improve security measures to safeguard against future breaches.

#### 6.5 Upholding Data Compliance

CHEMSOL is committed to full compliance with local and international data protection laws, including the regulations governing KSA and global standards such as GDPR and ISO 27001. The company maintains a comprehensive legal and compliance framework that ensures adherence to data protection obligations, mitigating legal risks associated with non-compliance. Regular reviews and updates of policies and procedures are conducted to align with changes in legislation and industry best practices. By maintaining rigorous compliance, CHEMSOL safeguards sensitive information and strengthens trust with stakeholders.

#### 6.6 Whistleblower Reporting

CHEMSOL guarantees complete confidentiality for any whistleblower who reports information security concerns. The company ensures that the identity of the individual making the report remains protected throughout the investigation and resolution process. No information that could identify the whistleblower will be disclosed without their consent. This commitment to confidentiality is designed to create a safe and secure environment for employees to report concerns without fear of retaliation or exposure. CHEMSOL takes every precaution to safeguard the integrity of the reporting process while addressing the reported information security breach or violation promptly and effectively.

### 7. ESG Objectives

| Sl. No | Sustainability Issue             | Objective  | Measure                               | Target Value 2025             |
|--------|----------------------------------|--|---------------------------------------|-------------------------------|
| 1      | Ensuring Data Confidentiality    | Protect sensitive and confidential data from unauthorized access | No. of confidentiality breaches       | ↓ Reduce to 0 breaches        |
| 2      | Strengthening Security Awareness | Conduct awareness training on information security practices     | Percentage employees trained          | ↑ Train 100% employees        |
| 3      | Ensuring Third-Party Compliance  | Ensure third parties comply with data security requirements      | % of third parties audited            | ↑ Audit 100% of third parties |
| 4      | Data Breach Response             | Establish fast and effective response to data breaches           | Average response time (hours)         | ↓ Reduce to within 4 hours    |
| 5      | Upholding Data Compliance        | Maintain full compliance with data protection regulations        | % of compliance achieved              | ↑ Achieve 100% compliance     |
| 6      | Whistleblower Reporting          | Encourage stakeholders to report information security concerns   | No. of whistleblower reports received | ↑ Increase reporting by 60%   |



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 37 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 8. Reference to Applicable Standards, Laws, and Acts

- Foreign Corrupt Practices Act of 1977 (USA)
- United Nations Convention against Corruption (UNCAC)
- ISO/IEC 27001:2013 (Information Security Management Systems)
- General Data Protection Regulation (GDPR) (EU)
- KSA Data Protection Laws
- OECD Guidelines for Multinational Enterprises
- United Nations Global Compact (10 Principles)
- ISO 26000 (Social Responsibility)

## 9. Distribution and Annual Review

This policy is distributed to all employees during their onboarding process to ensure they are aware of the procedures for reporting information security concerns. It is also made readily accessible on the company intranet for easy reference, ensuring that all stakeholders can quickly access the policy whenever needed. The policy undergoes an annual review to ensure its relevance and compliance with any regulatory updates, evolving business operations, and emerging information security risks. This continuous review process guarantees that the policy remains effective in maintaining a secure and transparent environment for reporting breaches.

## 10. Disciplinary Action for Policy Violators

Any individual found violating the Whistleblower Procedure for Information Security Concerns policy will be subject to disciplinary action in accordance with CHEMSOL's Code of Conduct. The severity of the action will be determined based on the nature and impact of the violation. Consequences may include termination of employment or business relationships, particularly in cases of intentional or severe breaches. For major violations involving criminal conduct, CHEMSOL may pursue legal action, including reporting the issue to relevant authorities. The objective is to maintain accountability, protect information security, and uphold trust in the organization's data management practices.

## 11. Reporting Mechanism

CHEMSOL has established a secure and confidential reporting mechanism to encourage stakeholders, including employees, contractors, and third parties, to report any concerns regarding potential or actual breaches of information security. The company provides a whistleblower hotline and dedicated email system, ensuring anonymity for reporters if desired. All reports are handled promptly and investigated thoroughly. Individuals who report concerns in good faith are protected against retaliation or adverse consequences, in accordance with the company's non-retaliation policy. This mechanism aims to create a safe space for reporting while maintaining the confidentiality and integrity of the reporting process.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 38 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 12. Conclusion

CHEMSOL is committed to safeguarding the privacy and integrity of all third-party confidential information. Through this policy, the company aims to foster a culture of transparency, ensuring stakeholders can freely report concerns without fear of retaliation. This will mitigate the risk of information security breaches and promote compliance with all applicable regulations. CHEMSOL is unwavering in its commitment to protecting the confidentiality, integrity, and availability of all third-party information entrusted to the company. Through the implementation of this policy, CHEMSOL aims to foster a culture of transparency and responsibility, ensuring that stakeholders feel empowered to report concerns regarding information security without fear of retaliation.





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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 39 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## ENERGY USAGE POLICY

CHEMSOL/ESG/POLICY- 06

### 1. Purpose

This policy affirms CHEMSOL's commitment to minimizing energy consumption and reducing greenhouse gas (GHG) emissions across all operations. It supports the adoption of energy-efficient technologies, optimization of processes, and responsible energy use. CHEMSOL aligns its energy practices with international standards, local environmental regulations, and its broader ESG objectives. The company strives to continuously monitor, assess, and improve its energy performance, encouraging innovation and employee engagement in sustainability efforts. By integrating energy management into daily operations and decision-making, CHEMSOL aims to contribute to climate action and ensure long-term environmental and economic sustainability.

### 2. Scope of Application

#### ◆ Energy Commitment

This policy applies to all employees, contractors, logistics partners, and energy management stakeholders involved in CHEMSOL's operations. Employees at all levels, from senior management to operational staff, are expected to understand and adhere to the guidelines set forth in this policy. Contractors and logistics partners are responsible for integrating energy efficiency and emissions reduction measures into their respective roles. Energy management stakeholders, including those responsible for implementing sustainability strategies and monitoring energy consumption, are also accountable for ensuring compliance with the policy. Engagement from all parties is essential to achieving CHEMSOL's energy reduction and sustainability objectives.

#### ◆ Business Area

The policy covers all key business areas and operations within CHEMSOL, including warehousing, distribution, transportation, logistics, offices, and support functions. This encompasses energy use in facilities, transportation fleets, and logistics networks, as well as the operational and administrative offices that support day-to-day activities. Each area has a distinct impact on energy consumption and emissions, which are why the policy aims to reduce energy usage, improve efficiency, and decrease greenhouse gas emissions across all these operations. The commitment to energy conservation applies across the entire value chain and operational structure of the business.

#### ◆ Geographical Area

The policy applies to CHEMSOL's operations in the Kingdom of Saudi Arabia (KSA) and extends to all international markets where the company operates. This global reach ensures that all CHEMSOL facilities, warehouses, distribution centers, and logistics networks, regardless of location, adhere to the same energy efficiency and emissions reduction standards. Local regulations and market-specific conditions will be taken into account to implement the policy effectively in each region.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 40 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

By maintaining consistency across different geographies, CHEMSOL aims to create a unified, global approach to sustainability and environmental responsibility, reinforcing its commitment to ESG principles.

### 3. Governance

The ESG Committee, chaired by the Chief Sustainability Officer, will oversee the implementation and ongoing review of this policy to ensure alignment with CHEMSOL's broader sustainability objectives. The committee will guide strategic decisions and monitor progress towards energy efficiency and emissions reduction targets. The Energy Management Team, in collaboration with the Facilities, Procurement, and Logistics departments, will operationalize the policy by executing energy-saving measures, optimizing resource use, and tracking energy consumption and emissions. These departments will work together to ensure the policy's successful implementation across all operations, ensuring CHEMSOL meets its sustainability goals while fostering a culture of environmental responsibility.

### 4. Definitions

#### ◆ Energy Consumption

Energy consumption at CHEMSOL encompasses the total energy used across all operations, including electricity for manufacturing, fuel for transport, and energy for heating and cooling systems. Efficient energy use is central to sustainability goals, and CHEMSOL continuously monitors and optimizes its energy usage to reduce environmental impact and operational costs.

#### ◆ GHG Emissions

Greenhouse gas (GHG) emissions at CHEMSOL include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>). These emissions result from various operational activities, and reducing them is a key part of CHEMSOL's ESG commitment to mitigating climate change.

#### ◆ Direct Emissions (Scope 1)

Scope 1 emissions refer to direct greenhouse gas emissions from CHEMSOL's owned or controlled sources. These include fuel combustion in company-owned equipment, generators, and vehicles. Managing and reducing Scope 1 emissions is a priority for improving operational efficiency and minimizing CHEMSOL's direct environmental footprint.

#### ◆ Indirect Emissions (Scope 2 & 3)

Scope 2 emissions arise from purchased electricity, steam, heating, and cooling. Scope 3 emissions result from external activities such as supply chain logistics, employee commuting, and waste disposal. CHEMSOL addresses both through supplier engagement, energy-efficient sourcing, and responsible logistics planning to reduce indirect environmental impact.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 41 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 5. Roles and Responsibilities

### ◆ ESG Committee

The ESG Committee is responsible for reviewing and approving the energy and emissions policy, setting strategic objectives, and ensuring alignment with CHEMSOL's sustainability goals. The committee provides oversight, monitors performance, and supports continuous improvement initiatives that drive energy efficiency and reduce greenhouse gas emissions across the organization.

### ◆ Operations Manager

The Operations Manager plays a key role in implementing energy efficiency initiatives across CHEMSOL's warehouses. This includes monitoring energy use, identifying improvement opportunities, and ensuring that operational practices align with the company's energy reduction targets. The manager collaborates with teams to promote best practices and optimize resource consumption.

### ◆ Logistics Manager

The Logistics Manager focuses on minimizing emissions through efficient transport management. This includes optimizing delivery routes, reducing fuel usage, and coordinating with transport providers to adopt low-emission vehicles. The manager ensures logistics operations contribute to CHEMSOL's broader goals of reducing indirect emissions and enhancing environmental performance.

### ◆ Facilities Team

The Facilities Team is responsible for maintaining, upgrading, and retrofitting energy systems to improve efficiency. This includes implementing energy-efficient lighting, HVAC systems, and equipment. The team conducts regular inspections and maintenance to ensure systems operate optimally, contributing to lower energy consumption and reduced greenhouse gas emissions.

### ◆ All Employees

All CHEMSOL employees are expected to actively support the company's energy conservation efforts by following energy-saving practices in daily operations. This includes responsible use of equipment, minimizing waste, and reporting inefficiencies. Employee awareness and participation are essential to achieving energy and emissions reduction targets and fostering a sustainable culture.

## 6. Energy Usage Policy

### 6.1 Efficiency Technology Upgrades

CHEMSOL is dedicated to reducing energy consumption through the adoption of advanced, energy-efficient technologies across all its operations. Key initiatives include upgrading warehouse lighting, HVAC systems, and production-related equipment to more efficient models that exceed industry-standard benchmarks. These upgrades will be driven by thorough energy audits to identify areas for improvement and ensure optimal performance.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 42 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

The effectiveness of these technologies will be continuously monitored and tracked to guarantee long-term energy savings. By integrating these measures, CHEMSOL aims to enhance operational sustainability, reduce its environmental footprint, and contribute to its broader commitment to ESG and climate action goals.

## 6.2 Promoting Energy Awareness

CHEMSOL recognizes that employee engagement is essential to achieving energy efficiency goals. To foster a culture of sustainability, the company will introduce mandatory annual training sessions on energy conservation, efficient practices, and the impacts of climate change. Training will be tailored to various operational roles and supplemented by awareness campaigns, digital learning modules, and energy-saving tips. By educating employees and encouraging behavioral change, CHEMSOL aims to embed energy responsibility at all organizational levels, resulting in more efficient operations, reduced emissions, and a unified approach to climate action across the workforce.

## 6.3 Improving Building Efficiency

Inadequate insulation and inefficient building design can result in significant energy loss. CHEMSOL will undertake comprehensive energy audits across all properties every two years to assess insulation quality and identify thermal inefficiencies. Based on the findings, improvements such as upgraded insulation, energy-efficient windows, and passive architectural design features will be implemented. These measures aim to reduce thermal energy waste, enhance building performance, and lower heating and cooling costs. Improved building envelopes contribute to the company's overall energy efficiency strategy, ensuring a comfortable work environment and reducing the carbon footprint of physical infrastructure.

## 6.4 Energy Conservation Training

CHEMSOL will implement regular training and awareness programs for all employees to promote responsible energy use and climate action. These programs will cover practical energy-saving habits, understanding greenhouse gas (GHG) emissions, and adopting low-impact behaviors in daily operations. The training will be designed to encourage a proactive approach to sustainability at all levels of the organization. Additionally, energy conservation modules will be incorporated into the onboarding process for new employees and as part of continuous professional development. This ensures that all staff are equipped with the knowledge and tools to contribute to the company's energy efficiency and climate goals.

## 6.5 Managing Supply Chain Emissions

Scope 3 emissions, originating from suppliers and distributors, contribute significantly to CHEMSOL's overall carbon footprint. To manage these emissions, the company will actively engage with key partners to promote sustainable practices in their logistics and warehousing operations. This includes encouraging emissions tracking, supporting energy-efficient initiatives, and aligning sustainability targets. Supplier audits, sustainability scorecards, and collaboration forums will be used to drive progress.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 43 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

By influencing the broader value chain, CHEMSOL aims to reduce indirect emissions and build strong partnerships that reinforce its environmental commitments and extend ESG practices beyond direct operations.

#### 6.6 Optimizing Warehouse Energy

CHEMSOL recognizes the high electricity consumption in its warehouses due to lighting and equipment use. To address this, the company will implement energy-efficient technologies such as LED lighting, motion sensors, and automated systems to reduce electricity usage. The goal is to achieve a 20% reduction in electricity consumption over the next three years. Energy use will be continuously monitored and analyzed for improvement. These measures not only reduce operational costs but also align with CHEMSOL's environmental sustainability goals, helping to minimize greenhouse gas emissions and improve the overall energy performance of warehouse operations.

#### 6.7 Emissions Transparency

Transparency is fundamental to CHEMSOL's sustainability strategy. To improve visibility and accountability, the company will publish an annual energy and emissions report detailing performance metrics, reduction efforts, and achievements. This report will undergo third-party verification to ensure accuracy and credibility. It will also align with global reporting frameworks such as GRI and ISO standards. The publication will be shared with all stakeholders, reflecting CHEMSOL's dedication to openness and continuous improvement. This approach reinforces trust, informs strategic planning, and positions the company as a responsible leader in climate-related disclosure and environmental performance.

#### 6.8 Reducing Transport Emissions

Transportation remains a key contributor to CHEMSOL's carbon footprint. To reduce fuel consumption and transportation-related emissions, CHEMSOL is committed to transitioning 25% of its logistics fleet to electric or hybrid vehicles by 2030. Additionally, delivery routes will be optimized using digital route planning tools to reduce vehicle mileage and fuel usage. These efforts aim to cut CO<sub>2</sub> emissions from logistics operations by 15% by 2028. The company will also explore partnerships with eco-friendly logistics providers, ensuring its supply chain supports sustainable transport solutions in line with its broader ESG targets.

#### 6.9 Unlocking Renewable Potential

CHEMSOL is committed to expanding the use of renewable energy across its operations. To capitalize on untapped opportunities, all new facility developments will be evaluated for their solar photovoltaic (PV) potential. Where feasible, renewable energy sources such as rooftop solar systems will be integrated to reduce reliance on conventional power. The company pledges to ensure that at least 10% of the energy requirements in all new builds come from renewable sources by 2027. This initiative aligns with CHEMSOL's climate action goals and supports a gradual transition to a cleaner, more resilient energy portfolio.





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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 44 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

#### 6.10 Renewable Energy Initiatives

CHEMSOL is committed to transitioning toward a low-carbon energy model by prioritizing the procurement of renewable electricity from certified sources. The company will also explore opportunities for on-site renewable energy generation, such as solar or wind power, where feasible. This approach aims to reduce reliance on fossil fuels and minimize the environmental impact of operations. By integrating renewable energy solutions into its business model, CHEMSOL will not only enhance its sustainability but also contribute to global climate goals. This shift supports the company's broader ESG objectives and reinforces its dedication to reducing greenhouse gas emissions across all operations

#### 6.11 Transitioning Energy Sources

CHEMSOL acknowledges its reliance on fossil fuels for heating and cooling systems across offices and warehouses. To address this, the company will conduct annual audits of all HVAC systems to identify energy inefficiencies and areas for upgrades. Outdated systems will be replaced with energy-efficient models that consume less power and lower emissions. Furthermore, CHEMSOL will explore feasible options for integrating renewable energy sources, such as solar heating or geothermal cooling, to reduce fossil fuel dependence. These efforts support the company's transition toward cleaner energy solutions while enhancing indoor comfort and operational sustainability

#### 6.12 Regulatory Non-Compliance Risk

Compliance with energy and greenhouse gas regulations is a critical priority for CHEMSOL. The company ensures adherence to national and international standards, including ISO 14064 and GRI 302/305. Internal systems will be used to accurately track, document, and report energy usage and emissions data. Regular internal audits, third-party verifications, and timely policy updates will be conducted to maintain regulatory alignment. By proactively managing compliance risks, CHEMSOL strengthens stakeholder trust, avoids legal penalties, and upholds its commitment to transparency and responsible environmental stewardship as part of its ESG performance.

### 7. ESG Objectives

| Sl. No | Sustainability Issue           | Objective   | Measure                             | Target Value 2025 |
|--------|--------------------------------|---|-------------------------------------|-------------------|
| 1      | Efficiency Technology Upgrades | Implement energy-efficient technologies across facilities     | No. of upgrades completed           | ↑ 4 upgrades      |
| 2      | Promoting Energy Awareness     | Raise awareness among employees about energy-saving practices | No. of awareness sessions conducted | ↑ 3 sessions      |



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 45 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

|    |                                 |  |                                      |                             |
|----|---------------------------------|--|--------------------------------------|-----------------------------|
| 3  | Improving Building Efficiency   | Enhance infrastructure for reduced energy consumption                  | % reduction in energy use            | ↓ 5% reduction              |
| 4  | Energy Conservation Training    | Provide training programs on energy-saving behaviors                   | Percentage of employees trained      | ↑ 100 employees             |
| 5  | Managing Supply Chain Emissions | Reduce indirect energy emissions through supplier engagement           | % of key suppliers evaluated         | ↑ 100% of key suppliers     |
| 6  | Optimizing Warehouse Energy     | Improve lighting, HVAC, and equipment efficiency in warehouses         | % reduction in warehouse energy use  | ↓ 5% reduction              |
| 7  | Emissions Transparency          | Improve monitoring and reporting of energy-related emissions           | % emissions sources tracked          | ↑ 100% coverage             |
| 8  | Reducing Transport Emissions    | Minimize emissions from logistics and delivery operations              | % reduction in fuel consumption      | ↓ 5% reduction              |
| 9  | Unlocking Renewable Potential   | Assess feasibility and ROI of renewable energy options                 | No. of feasibility studies completed | ↑ 3 studies                 |
| 10 | Renewable Energy Initiatives    | Deploy renewable energy sources (solar, wind, etc.)                    | % of energy from renewables          | ↑ Reach 20% from renewables |
| 11 | Transitioning Energy Sources    | Shift from non-renewable to renewable energy where feasible            | % non-renewable dependency reduced   | ↓ Reduce by 5%              |
| 12 | Regulatory Non-Compliance Risk  | Ensure adherence to all applicable energy efficiency and emission laws | % compliance rate                    | ↑ Maintain 100% compliance  |

## 8. Reference to Applicable Standards and Laws

- ISO 14001, ISO 26000
- United Nations Global Compact (Principles 7-9)
- Carbon Disclosure Project (CDP)
- GRI Standards (302: Energy; 305: Emissions)
- OECD Guidelines for Multinational Enterprises
- Basel Convention



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 46 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

- ADR Agreement
- KSA National Renewable Energy Program
- EU Battery Directive, US EPA Clean Air Act (as applicable to exports/imports)

## 9. Distribution and Annual Review

This policy shall be effectively communicated to all employees, vendors, and stakeholders through onboarding programs, regular training sessions, and accessible internal communication platforms such as intranet portals and notice boards. Awareness and understanding of energy and emissions responsibilities are essential at all organizational levels. The policy will be reviewed annually to ensure its continued relevance and effectiveness, incorporating updates based on changes in regulatory requirements, advancements in energy-efficient technologies, and shifts in CHEMSOL's strategic direction. This continuous review and communication process ensures alignment with best practices and reinforces the company's commitment to sustainable energy and emissions management.

## 10. Disciplinary Action

Failure to comply with this policy will be treated as a serious matter and may result in disciplinary action. Depending on the nature and severity of the violation, consequences may include verbal or written warnings, mandatory retraining, suspension, or termination of employment or contract. CHEMSOL is committed to maintaining high standards of energy and emissions management, and all individuals are expected to uphold these responsibilities. Repeated or intentional non-compliance may lead to more severe action. The company will ensure that all employees and stakeholders are aware of the policy requirements and the importance of adhering to them for collective sustainability goals.

## 11. Reporting Mechanism

CHEMSOL encourages all employees, contractors, and stakeholders to report any suspected violations of this policy or suggest improvements to energy and emissions practices. Reports can be made confidentially through the internal reporting portal or directly via the ESG Hotline. The company allows and protects anonymous reporting to ensure individuals feel safe and supported in raising concerns. All reports will be taken seriously and investigated appropriately, with strict confidentiality maintained throughout the process.

## 12. Conclusion

This policy represents a core element of CHEMSOL's ESG commitment, emphasizing sustainable growth and responsible climate stewardship. It reflects the company's dedication to reducing environmental impact through efficient energy use and proactive emissions management. By aligning operational practices with global sustainability standards, CHEMSOL aims to contribute meaningfully to climate action and long-term resilience. All stakeholders—including employees, vendors, and partners—are expected to understand, support, and uphold the principles outlined in this policy.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 47 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## EMPLOYEE DEVELOPMENT PLAN POLICY

### CHEMSOL/ESG/POLICY- 07

## 1. Purpose

The purpose of this policy is to outline CHEMSOL's commitment to career management and training, ensuring that our employees receive fair opportunities for personal and professional growth. By investing in skills development, we aim to enhance workforce productivity, reduce turnover, and foster an innovative and engaged employee base. This policy emphasizes career stages from recruitment to professional development, ensuring that employees have the necessary tools to stay competitive and succeed within the company.

## 2. Scope of Application

### ◆ Safety Protocols

This policy applies to all CHEMSOL employees, including full-time, part-time, contract staff, as well as third-party vendors and contractors who are directly involved in the company's operations. It ensures that all individuals within the organization and those working on behalf of CHEMSOL adhere to environmental and safety regulations, promote sustainability, and comply with operational standards related to materials handling, chemical safety, and waste management. Training and awareness initiatives will be provided to ensure compliance across all levels.

### ◆ Business Area

This policy encompasses all CHEMSOL operations related to the trading, distribution, storage, handling, and logistics of special additives, pigments, dyes, chemicals, food and feed ingredients, raw materials, and construction equipment spare parts. The policy applies to sectors such as Adhesives, Plastics, Rubber, Paint and Coatings, Oil & Gas, Water Treatment, Mining Chemicals, Electroplating Chemicals, and other relevant industries. Each business area will follow strict protocols to ensure safe and compliant material handling, waste disposal, and sustainability practices.

### ◆ Geographical Area

This policy is applicable to all CHEMSOL operations within the Kingdom of Saudi Arabia and extends to any international locations where the company has a presence, including subsidiaries, affiliates, and business partners. The policy ensures that CHEMSOL's environmental and safety standards are upheld globally. Compliance with local and international environmental laws and regulations will be monitored, and any region-specific requirements will be incorporated into operations to maintain consistent standards across all geographic locations.



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|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
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|-------------------------------|--------------|---------------|--|--------------------|

### 3. Governance

The governance of this policy will be managed by the Human Resources (HR) Department in collaboration with the Sustainability Committee. The HR Department will oversee the implementation, monitoring, and evaluation of career management, training programs, and employee development initiatives, ensuring that all staff receive the necessary tools and resources for growth. The Sustainability Committee will work closely with HR to ensure that these initiatives align with CHEMSOL's broader Environmental, Social, and Governance (ESG) goals. Together, both departments will ensure continuous improvement, compliance, and alignment with the company's sustainability objectives, promoting a culture of responsibility and growth.

### 4. Definition of Terms

#### ◆ Career Management

Career management involves a structured approach to guiding an employee through various stages of their career within the organization, from recruitment to professional development. It includes goal-setting, performance reviews, promotions, and succession planning, ensuring employees grow in alignment with the company's objectives and their personal career aspirations.

#### ◆ Training & Development

Training and development programs focus on providing employees with the knowledge, skills, and capabilities to excel in their current roles and prepare for future challenges. These programs include workshops, seminars, certifications, and on-the-job training, supporting continuous improvement and ensuring that employees are equipped for career progression.

#### ◆ Skills Development

Skills development ensures employees have the tools and opportunities to improve their technical, managerial, and leadership abilities. Through targeted programs and mentorship, employees are empowered to broaden their skill set, enhancing their performance, adaptability, and leadership potential, and contributing to their long-term success within the organization.

#### ◆ Employee Evaluation

Employee evaluation is a performance assessment process where job performance, productivity, and professional growth are reviewed. It identifies strengths, weaknesses, and development needs, allowing managers to set specific goals for improvement. Evaluations help in shaping career paths, addressing areas for growth, and aligning employee contributions with the company's objectives.





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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 49 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 5. Roles and Responsibilities

### ◆ HR Department

The HR department is responsible for the execution and management of career development and training initiatives. They oversee employee evaluations, provide career guidance, and ensure that training programs align with the company's long-term career development goals, supporting growth across all levels of the organization while fostering a culture of continuous improvement.

### ◆ Managers and Supervisors

Managers and supervisors play a crucial role in the career development process by mentoring employees, offering constructive feedback, and promoting continuous learning. They are responsible for identifying development opportunities, supporting skill enhancement, and ensuring that employees have the resources and guidance needed to advance in their careers.

### ◆ Employees

Employees are responsible for taking an active role in their professional development by participating in available training programs, setting personal growth goals, and continuously seeking ways to improve their skills. They are encouraged to pursue new learning opportunities and collaborate with their managers to ensure their career aspirations align with company objectives.

### ◆ Sustainability Committee

The Sustainability Committee ensures that career management and training programs align with CHEMSOL's environmental, social, and governance (ESG) objectives. They work to incorporate principles of inclusivity, diversity, and employee well-being into career development strategies, ensuring that the company's growth initiatives support both business success and broader social and environmental goals.

## 6. Employee Development Plan Policy

### 6.1 Preventing Discrimination and Harassment

CHEMSOL is committed to fostering a respectful and inclusive work environment where all employees are treated with dignity and respect. We provide regular training on discrimination and harassment to educate employees on their rights and responsibilities and to prevent hostile work environments. This training includes awareness of inappropriate behavior, reporting mechanisms, and promoting diversity and inclusion. We aim to create an environment where every individual has the opportunity to thrive, and all forms of discrimination and harassment are proactively addressed and prevented.



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|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 50 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 6.2 Safety Training Program

Health, safety, and environmental responsibility are integral components of CHEMSOL's training programs. All employees will receive training on safe working practices, environmental sustainability, and adherence to regulations. This training is vital for maintaining a safe working environment and ensuring compliance with internal policies and external regulations. CHEMSOL is committed to fostering a culture where health, safety, and sustainability are prioritized, contributing to employee well-being and minimizing the company's environmental footprint.

CHEMSOL prioritizes the health and safety of our employees by providing comprehensive training programs focused on health and safety risks and best practices. All employees will be equipped with the necessary skills to recognize hazards, respond to risks, and maintain a safe working environment. Training will be provided regularly, ensuring that employees are up to date with the latest health and safety guidelines and equipped to perform their tasks safely and responsibly, minimizing the risk of workplace accidents and ensuring compliance with industry standards.

## 6.3 Skills Enhancement Training

CHEMSOL is committed to providing continuous skills development training to our employees to ensure they possess the knowledge and capabilities required for their current roles and future career progression. We recognize that ongoing training is essential for personal growth and the overall success of the company. Therefore, we will offer industry-specific and role-specific training through various formats, including in-person (classroom and on-the-job) and online platforms. By investing in our workforce's skills, we aim to enhance performance, foster innovation, and retain talent within the organization.

## 6.4 Enhancing Employee Skills

CHEMSOL acknowledges the impact of skill gaps on business performance and employee satisfaction. To bridge these gaps, we are committed to offering ongoing training programs that focus on enhancing both technical and soft skills. These programs will address emerging technologies and evolving business processes, ensuring employees are equipped for current and future roles. Regular assessments will help identify skill gaps, and tailored development plans will ensure continuous professional growth and alignment with business needs.

## 6.5 Fostering Career Growth

CHEMSOL encourages career advancement and internal mobility by offering employees opportunities to explore different roles within the company. This approach enhances skill development, employee engagement, and retention by diversifying career paths and providing growth opportunities across various functions. Promoting internal mobility reduces turnover, strengthens organizational knowledge, and ensures that talent is distributed effectively across the business.



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|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 51 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

#### 6.6 Retaining Skilled Talent

To retain skilled talent, CHEMSOL fosters an environment where employees feel valued and supported. Our retention strategy includes offering clear career progression paths, mentorship programs, and competitive compensation packages. By investing in professional development, we aim to cultivate long-term loyalty and minimize turnover. We prioritize employee engagement and satisfaction through regular feedback mechanisms and offer growth opportunities that align with individual career goals, contributing to a positive and stable workforce.

#### 6.7 Recruitment and Diversity in Hiring

CHEMSOL is dedicated to promoting diversity in its recruitment practices by ensuring equal opportunities for all candidates based on skills and qualifications. We actively seek to attract a diverse pool of talent across all departments, reflecting our commitment to inclusivity and ESG values. Our recruitment processes are designed to eliminate biases and support diversity in hiring decisions. We aim to build a workforce that is not only skilled but also reflective of the diverse communities in which we operate

### 7. ESG Objectives

| Sl. No | Sustainability Issue                     | Objective   | Measure                              | Target Value 2025      |
|--------|--|---|--------------------------------------|------------------------|
| 1      | Preventing Discrimination and Harassment | Promote a respectful, inclusive workplace environment       | Percentage of employees trained      | ↑ 100% employees       |
| 2      | Safety Training Program                  | Enhance safety awareness among employees                    | No. of safety training sessions      | ↑ 4 sessions (+100%)   |
| 3      | Skills Development Training              | Build employees' technical and professional skills          | No. of skill development programs    | ↑ 3 programs           |
| 4      | Enhancing Employee Skills                | Improve employee performance and adaptability               | % of employees completing upskilling | ↑ 90% employees        |
| 5      | Fostering Career Growth                  | Support long-term employee career progression               | No. of internal promotions           | ↑ 5% promotions        |
| 6      | Retaining Skilled Talent                 | Reduce employee turnover                                    | % employee retention rate            | ↑ 95% retention        |
| 7      | Recruitment and Diversity in Hiring      | Increase workforce diversity and inclusive hiring practices | % of diverse candidates hired        | ↑ 30% diversity hiring |



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|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
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|-------------------------------|--------------|---------------|--|--------------------|

## 8. Reference to Applicable Standards, Laws, and Acts

- Universal Declaration of Human Rights
- International Labour Organization (ILO) Fundamental Conventions
- OHSAS 18001 (Occupational Health and Safety Assessment Series)
- United Nations Global Compact (10 Principles)
- OECD Guidelines for Multinational Enterprises
- Global Reporting Initiative (GRI) Standards
- ISO 26000 (Guidance on Social Responsibility)
- National Labor Laws in the Kingdom of Saudi Arabia

## 9. Distribution and Annual Review

This policy will be communicated to all employees through the company intranet, email, and during onboarding and training sessions to ensure comprehensive understanding. Additionally, it will be shared with relevant stakeholders, including contractors and third-party vendors, to ensure alignment with the company's expectations and standards. This will help maintain consistency in implementing the policy across all areas of the business. The HR Department will conduct an annual review of this policy to evaluate its effectiveness and relevance. Feedback from employees, changes in regulations, and evolving company needs will be considered to update and improve the policy as necessary.

## 10. Disciplinary Action for Policy Violators

Employees or contractors who fail to comply with the career management and training policy will be subject to corrective actions outlined in CHEMSOL's internal HR policies. These actions may include retraining or coaching to address knowledge gaps and reinforce expectations. For ongoing non-compliance or repeated violations, formal warnings may be issued. In extreme cases, or if there is a lack of improvement, termination of employment or contracts may be considered. These measures are designed to ensure that all personnel align with the company's commitment to continuous professional development and its career management goals.

## 11. Reporting Mechanism

Employees are encouraged to provide feedback on the implementation of the career management and training policy to ensure continuous improvement. Any concerns or suggestions regarding training, career development, or policy enforcement can be reported directly to the HR department. A confidential grievance mechanism will be available for employees to address any issues related to the policy's application. The HR department will promptly review and investigate any reported concerns, ensuring fair and transparent resolution. This approach promotes an open dialogue and helps maintain a supportive and constructive environment for career growth and employee satisfaction.



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|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
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|-------------------------------|--------------|---------------|--|--------------------|

## 12. Conclusion

CHEMSOL is dedicated to fostering a skilled, motivated, and competitive workforce by integrating career management and training into the fabric of our operations. This policy ensures that our employees have access to continuous professional development, enabling them to thrive in their roles and contribute to the company's success.





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|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
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|-------------------------------|--------------|---------------|--|--------------------|

## WORKPLACE HEALTH POLICY

### CHEMSOL/ESG/POLICY- 08

## 1. Purpose

This policy reflects CHEMSOL KSA's strong commitment to safeguarding the physical and psychological well-being of all employees. It aims to create and maintain a safe, healthy, and supportive work environment where risks are minimized, and well-being is prioritized. The policy aligns with international best practices, local regulatory requirements, and global ethical standards. CHEMSOL KSA believes that a healthy workforce is key to operational excellence and sustainability, and is committed to continuous improvement in workplace health, safety, and environmental performance across all business activities.

## 2. Scope of Application

### ◆ Universal Safety Responsibility

This policy applies to all individuals who interact with CHEMSOL, including employees, contractors, visitors, suppliers, and third-party service providers. Everyone, regardless of their role or relationship with the company, is responsible for adhering to health and safety guidelines and contributing to a safe and healthy workplace. CHEMSOL expects all parties to actively participate in creating a risk-free environment by complying with all safety procedures, reporting hazards, and promoting a culture of care and responsibility. The well-being of everyone on our premises or involved in our operations is a shared responsibility.

### ◆ Business Area

The policy covers all CHEMSOL's business activities, including the trading, distribution, storage, warehousing, handling of chemicals, transportation, and any related operations. Every activity associated with CHEMSOL's business operations must be conducted in a manner that prioritizes health, safety, and environmental protection. Specific procedures, safety standards, and preventive measures are in place to manage risks associated with chemical handling and logistics. Our aim is to ensure that every phase of our operational activities maintains high standards of safety and reduces any potential hazards to employees, partners, and the environment.

### ◆ Geographical Area

This policy applies to all CHEMSOL locations and operations within the Kingdom of Saudi Arabia (KSA). Regardless of the size or nature of the site—whether offices, warehouses, distribution centers, or field operations—the same commitment to safety, health, and well-being is consistently upheld. CHEMSOL ensures that all sites comply with local Saudi regulations as well as recognized international health and safety standards. Our objective is to maintain a safe working environment across all operational zones, ensuring that every employee and stakeholder is protected wherever CHEMSOL operates.



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|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 55 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 3. Governance

The Board of Directors holds ultimate responsibility for overseeing the governance and strategic direction of this policy, ensuring it aligns with CHEMSOL's core values, regulatory obligations, and international best practices. The Health, Safety, and Environment (HSE) Committee is tasked with the day-to-day implementation, monitoring, and continuous improvement of the policy. Site managers and supervisors support the HSE Committee by enforcing safety standards, conducting regular inspections, and promoting a culture of health and safety among employees, contractors, and visitors. All levels of leadership are committed to maintaining a safe, healthy, and sustainable workplace environment.

## 4. Definition of Terms

### ◆ Occupational Health and Safety (OHS)

Occupational Health and Safety (OHS) encompasses policies, practices, and procedures aimed at protecting the health, safety, and general well-being of employees in the workplace. It involves identifying potential hazards, assessing risks, and implementing preventive measures to minimize accidents, injuries, illnesses, and environmental damage. At CHEMSOL, OHS practices are integrated into daily operations through training, audits, and continuous monitoring. Promoting a strong safety culture is key to ensuring that all employees, contractors, and visitors work in an environment that prioritizes their health and security.

### ◆ Personal Protective Equipment (PPE)

Personal Protective Equipment (PPE) refers to specialized gear and clothing designed to protect employees from physical, chemical, biological, and mechanical hazards in the workplace. Examples include helmets, gloves, safety glasses, respiratory protection, and protective clothing. At CHEMSOL, the use of PPE is mandatory in all designated areas where exposure to hazards is identified. Employees receive training on the correct selection, use, and maintenance of PPE to ensure maximum protection. Regular inspections and audits are conducted to ensure PPE compliance and effectiveness in maintaining workplace safety.

### ◆ Incident

An incident is any unplanned event that could cause or has caused injury, illness, property damage, or disruption to operations. Incidents include accidents, near-misses, unsafe conditions, and equipment failures. CHEMSOL requires that all incidents, regardless of severity, be reported promptly to the Health, Safety, and Environment (HSE) Committee for investigation and corrective action. Thorough incident reporting and analysis allow the company to identify root causes, implement preventive measures, and continuously improve health and safety practices, thereby fostering a safer and more resilient work environment for everyone.



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|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 56 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

#### ◆ Psychological Health

Psychological health refers to the emotional and mental well-being of employees, encompassing their ability to cope with work demands, stress, interpersonal relationships, and overall emotional balance. CHEMSOL recognizes that psychological health is as important as physical safety in maintaining a productive workforce. Initiatives include providing mental health awareness programs, confidential counseling services, stress management workshops, and promoting a supportive work environment. Managers are trained to identify early signs of mental health issues and encourage open communication. Protecting psychological health is integral to promoting a sustainable, safe, and positive workplace culture.

## 5. Roles and Responsibilities

#### ◆ Management

Management at CHEMSOL plays a critical role in leading the implementation of health, safety, and environmental (HSE) policies. They are responsible for allocating necessary resources, setting safety objectives, and ensuring compliance with all applicable laws and company standards. Management must foster a culture of safety by demonstrating visible leadership, integrating HSE principles into all business decisions, and encouraging proactive safety practices. Their commitment includes regular review meetings, engagement with employees, and ensuring that sufficient training, equipment, and support are provided to maintain a safe and healthy working environment across all operations.

#### ◆ Supervisors

Supervisors act as the frontline enforcers of CHEMSOL's health and safety procedures. They are responsible for ensuring that all employees under their supervision understand and adhere to safety guidelines. Supervisors must provide regular training, conduct risk assessments, and monitor day-to-day activities to identify potential hazards. They also have the duty to ensure that all necessary personal protective equipment (PPE) is available and properly used. Immediate corrective actions must be taken when safety violations are observed. Supervisors play a key role in maintaining open communication regarding safety concerns and promoting continuous improvement.

#### ◆ Employees

Employees are expected to actively participate in maintaining a safe and healthy workplace at CHEMSOL. This includes strictly following all safety guidelines, using personal protective equipment (PPE) correctly, and adhering to established procedures. Employees are responsible for immediately reporting any unsafe conditions, hazards, near-misses, or incidents to their supervisors or the HSE Committee. They should attend mandatory safety training sessions and demonstrate a proactive attitude towards workplace safety. Each employee's commitment to following safety practices is essential for protecting not only themselves but also their colleagues and the overall work environment.



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|-------------------------------|--------------|---------------|--|--------------------|

#### ◆ HSE Committee

The Health, Safety, and Environment (HSE) Committee at CHEMSOL is tasked with conducting regular audits, managing incident investigations, and driving continuous improvement of safety policies and practices. The committee reviews all incident reports, identifies root causes, and recommends preventive and corrective actions. It also monitors compliance with internal and external HSE standards and ensures that necessary updates to the policy are made based on findings. Through regular meetings and collaboration with management, supervisors, and employees, the HSE Committee ensures that health and safety remain a top organizational priority.

## 6. Workplace Health Policy

### 6.1 Employee Healthcare Benefits

CHEMSOL is committed to safeguarding the health and well-being of its employees and their families through comprehensive health care coverage. Our plan includes medical, dental, and vision care services, and extends coverage to eligible dependents wherever applicable. Employees are provided with access to insurance-based or reimbursement-based schemes tailored to their needs. By supporting employees' physical health and promoting overall wellness, CHEMSOL aims to enhance workplace morale, reduce absenteeism, and foster a productive work environment. Continuous evaluation of the health benefits package ensures alignment with employee needs, legal standards, and best practices in employee welfare.

### 6.2 Ensuring Road Safety

CHEMSOL KSA recognizes the critical importance of road safety for truck and delivery drivers transporting goods, including hazardous materials. All drivers are required to undergo specialized defensive driving training programs to enhance their skills in preventing road accidents. Routine vehicle maintenance checks are mandated to ensure that all transport vehicles meet the highest safety standards. Additionally, strict protocols are established for the handling and movement of hazardous substances during transit. By emphasizing driver education, vehicle integrity, and adherence to transportation safety regulations, CHEMSOL aims to minimize road-related incidents and ensure the safe delivery of materials.

### 6.3 Safety Training Program

CHEMSOL provides structured and comprehensive health and safety training programs for all employees. These training sessions are tailored to the specific job roles and operational risks employees encounter daily. The training covers topics such as hazard recognition, safe work practices, emergency response, and the proper use of personal protective equipment (PPE). Regular refresher courses and role-specific training ensure that employees stay updated on new risks and evolving industry standards. CHEMSOL believes that equipping employees with knowledge and skills is essential to maintaining a proactive safety culture, reducing incidents, and ensuring the overall well-being of the workforce.



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|-------------------------------|--------------|---------------|--|--------------------|

#### 6.4 Managing Workplace Safety

CHEMSOL KSA prioritizes maintaining a safe and hazard-free work environment by implementing proactive safety measures. This includes conducting regular risk assessments, establishing clear emergency response procedures, and ensuring timely maintenance of all equipment and machinery. The mandatory use of appropriate Personal Protective Equipment (PPE) will be strictly enforced to minimize exposure to potential hazards. Employees will participate in frequent safety training sessions to strengthen their awareness and preparedness in preventing workplace injuries, chemical spills, and accidents. CHEMSOL's continuous focus is on creating a culture of safety and ensuring the physical well-being of all personnel.

#### 6.5 Emergency Safety Plan

CHEMSOL has established a comprehensive Health and Safety Emergency Action Plan to guide employees during emergencies such as chemical spills, equipment malfunctions, fires, or medical crises. The plan outlines clear roles, responsibilities, evacuation routes, communication procedures, and emergency contacts. It is reviewed annually and updated to reflect any operational or regulatory changes. Regular emergency drills are conducted to ensure employees are familiar with procedures and capable of responding swiftly and effectively. CHEMSOL's proactive approach to emergency preparedness aims to minimize harm, ensure business continuity, and uphold a safe and resilient workplace environment at all times.

#### 6.6 Preventing Physical Injuries

CHEMSOL is dedicated to promoting the physical health and safety of all employees by addressing ergonomic risks and manual handling hazards. The company provides ergonomically designed workstations and equipment to reduce strain and repetitive motion injuries. Employees are trained in proper lifting techniques and safe handling practices for heavy materials. Periodic health screenings and ergonomic assessments are conducted to identify and mitigate potential physical health risks. Through continuous education, the promotion of correct posture, and adherence to safe work practices, CHEMSOL fosters a workplace environment that prioritizes the physical well-being of its workforce.

#### 6.7 Workplace Risk Evaluation

CHEMSOL is dedicated to proactively identifying and mitigating health and safety risks through systematic and regular risk assessments. All workplace hazards are thoroughly documented, evaluated for their significance, and prioritized for action. Risk assessments are conducted periodically and updated whenever changes occur in processes, equipment, or regulations. Preventive measures are developed based on assessment findings to eliminate or control risks effectively. Employees are actively involved in hazard identification and mitigation strategies. CHEMSOL's commitment to comprehensive risk management ensures a safer, healthier work environment aligned with both legal obligations and best practices in occupational health and safety.





## CHEMICAL SOLUTIONS TRADING COMPANY

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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 59 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

#### 6.8 Employee Health Screening

CHEMSOL prioritizes the early detection and prevention of health issues through periodic occupational health check-ups for all employees. These medical examinations are customized to the specific risks associated with different job roles, ensuring relevance and effectiveness. Health screenings may include assessments for respiratory health, hearing, vision, and musculoskeletal conditions, among others. Participation is encouraged to promote long-term wellness and regulatory compliance. All medical information collected is treated with strict confidentiality and used solely for enhancing workplace health initiatives. By investing in preventive health care, CHEMSOL supports a healthy workforce and reduces the likelihood of work-related illnesses.

#### 6.9 Promoting Mental Wellbeing

CHEMSOL values the psychological well-being of its employees as much as their physical safety. The company is committed to promoting mental health awareness and preventing work-related stress and burnout. Access to confidential counseling services and mental health resources will be provided to all employees. Regular workshops, training sessions, and awareness campaigns on stress management and mental resilience will be conducted. Additionally, CHEMSOL strives to maintain a positive and supportive work culture that encourages open communication, work-life balance, and early intervention for mental health issues, thereby ensuring a holistic approach to employee well-being.

#### 6.10 Emergency Response Preparedness

CHEMSOL KSA maintains a strong commitment to emergency preparedness by developing, implementing, and continually updating comprehensive emergency response plans. These plans cover a wide range of scenarios, including fires, chemical spills, medical emergencies, and natural disasters. Regular emergency drills and simulations are conducted across all sites to ensure that employees are well-prepared to respond quickly and effectively. Roles and responsibilities during emergencies are clearly communicated, and evacuation procedures are regularly reviewed. By promoting a proactive culture of readiness and resilience, CHEMSOL ensures that potential incidents are managed swiftly, minimizing risks to people, property, and the environment.

#### 6.11 Ensuring Safety Compliance

CHEMSOL KSA is firmly committed to full compliance with local, national, and international occupational health and safety regulations. Internal audits and inspections are regularly scheduled to assess adherence to legal requirements and industry best practices. Any identified non-conformities are promptly addressed through corrective and preventive actions. Employees receive regular updates on regulatory changes and compliance obligations through training and communication initiatives. CHEMSOL's governance structures ensure accountability for maintaining high safety standards, thus safeguarding employee welfare, protecting the environment, and promoting a strong, responsible safety culture across all operations and business activities.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 60 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

#### 6.12 Safeguarding Hazardous Materials

CHEMSOL KSA is committed to protecting employees from the risks associated with the handling of hazardous substances. Material Safety Data Sheets (MSDS) for all chemicals are readily available and updated regularly. Adequate engineering controls such as ventilation systems are installed to minimize exposure. Employees are provided with specialized PPE and receive comprehensive training in the safe storage, handling, and disposal of chemicals. Emergency response procedures for spills and accidental exposure are in place and rehearsed periodically. Through strict compliance with safety standards and continuous education, CHEMSOL ensures a safe working environment when dealing with hazardous materials.

#### 6.13 Employee Performance Evaluation

CHEMSOL is committed to conducting regular performance assessments to align individual goals with organizational objectives. These assessments combine both quantitative and qualitative evaluations, offering employees valuable feedback for their growth and improvement. By recognizing top performers and identifying areas for development, we foster a culture of continuous improvement and excellence. Our approach ensures that all employees receive the support and guidance needed to enhance their skills, achieve their potential, and contribute to the company's success. This fair and motivating environment encourages employees to perform at their best, ensuring long-term personal and organizational development.

### 7. ESG Objectives

| Sl. No | Sustainability Issue         | Objective   | Measure                      | Target Value 2025          |
|--------|------------------------------|---|------------------------------|----------------------------|
| 1      | Employee Healthcare Benefits | Improve access to health services for employees   | % of employees covered       | ↑ 100% coverage            |
| 2      | Ensuring Road Safety         | Reduce transport-related incidents                | No. of road safety workshops | ↑ 4 workshops              |
| 3      | Safety Training Program      | Increase awareness and reduce workplace accidents | No. of sessions conducted    | ↑ 3 sessions               |
| 4      | Managing Workplace Safety    | Maintain a safe and hazard-free workplace         | No. of safety audits         | ↑ 1Year                    |
| 5      | Emergency Safety Plan        | Ensure preparedness for emergency situations      | % of employees trained       | ↑ 100% training completion |
| 6      | Preventing Physical Injuries | Lower incident rate of physical injuries          | No. of physical injury cases | ↓ 0 cases                  |



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 61 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

|    |                                  |   |                                   |                      |
|----|----------------------------------|---|-----------------------------------|----------------------|
| 7  | Workplace Risk Evaluation        | Identify and mitigate safety hazards              | No. of risk assessments conducted | ↑ 1Year              |
| 8  | Employee Health Screening        | Detect health issues early and promote wellness   | % of employees screened annually  | ↑ 90% participation  |
| 9  | Promoting Mental Wellbeing       | Foster a mentally healthy work environment        | No. of wellness sessions          | ↑ 4 sessions (+100%) |
| 10 | Emergency Response Preparedness  | Strengthen company-wide response capability       | No. of drills conducted           | ↑ 2 drills           |
| 11 | Ensuring Safety Compliance       | Ensure adherence to health and safety regulations | % compliance score from audits    | ↑ 100% compliance    |
| 12 | Safeguarding Hazardous Materials | Prevent exposure to harmful substances            | No. of incidents reported         | ↓ 0 incidents        |

## 8. Reference to Applicable Standards, Laws, and Acts

- Universal Declaration of Human Rights
- International Labour Organization (ILO) Fundamental Conventions
- ISO 45001 (superseding OHSAS 18001)
- United Nations Global Compact (Principle 6)
- OECD Guidelines for Multinational Enterprises
- GRI Standards (GRI 403: Occupational Health and Safety)
- ISO 26000 (Social Responsibility)
- Saudi Labor Law and General Organization for Social Insurance (GOSI) standards

## 9. Distribution and Annual Review

This policy shall be distributed to all employees, contractors, partners, and relevant stakeholders during onboarding and made readily accessible through CHEMSOL's internal platforms, such as the intranet and notice boards. To maintain its relevance and effectiveness, the policy will undergo a formal review on an annual basis. The review process will assess emerging risks, changes in legal and regulatory requirements, and feedback from employees and stakeholders. Based on the review outcomes, updates or improvements will be made to the policy, ensuring continuous alignment with CHEMSOL's health, safety, and environmental objectives and corporate governance practices.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 62 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 10. Disciplinary Action for Policy Violators

CHEMSOL enforces strict disciplinary actions against any employee, contractor, or stakeholder found violating the Health, Safety, and Environment (HSE) Policy. Actions may range from verbal warnings and written reprimands to suspension or termination of employment, depending on the severity of the breach. Disciplinary measures will follow the guidelines set forth in CHEMSOL's Disciplinary Procedures Manual. The objective of such measures is not just punitive but also corrective, aiming to reinforce a culture of safety, responsibility, and accountability throughout the organization and to deter repeat offenses that could endanger people or the environment.

## 11. Reporting Mechanism

CHEMSOL encourages all employees, contractors, and stakeholders to report health and safety concerns promptly and without fear of retaliation. Concerns can be reported through various confidential channels: a designated confidential email address, a dedicated safety hotline, or directly to a supervisor or an HSE representative. All reports will be treated with the utmost confidentiality, ensuring the anonymity of the reporter where requested. Prompt investigation and necessary corrective actions will follow each report. By fostering a transparent reporting culture, CHEMSOL reinforces its commitment to continuous improvement in maintaining a safe and secure workplace environment.

## 12. Conclusion

CHEMSOL reaffirms its commitment to fostering a safe, healthy, and sustainable workplace for all employees, contractors, and stakeholders. This Health, Safety, and Environment (HSE) Policy underpins our core values of ethical business conduct and social responsibility. Proactively managing workplace risks not only protects individuals but also strengthens stakeholder trust, enhances operational efficiency, and supports our Environmental, Social, and Governance (ESG) objectives. Through continuous vigilance, employee involvement, and a firm commitment to high safety standards, CHEMSOL aims to build a workplace culture where safety is deeply embedded into every action and decision we make.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 63 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## INCLUSIVE WORKPLACE POLICY

CHEMSOL/ESG/POLICY- 09

### 1. Purpose

The purpose of this policy is to ensure that CHEMSOL provides a work environment that is free from discrimination, harassment, and abuse. This policy aims to foster an inclusive, diverse, and equitable workplace where every employee is treated with dignity and respect, irrespective of their gender, age, ethnicity, race, sexual orientation, disability, or other protected characteristics. By adopting this policy, we strive to enhance employee well-being, strengthen organizational culture, and improve business performance. Through this policy, CHEMSOL aims to enhance employee well-being, foster a positive organizational culture, and improve overall business performance by ensuring a safe and respectful environment for all employees.

### 2. Scope of Application

#### ◆ Inclusive Accountability

This policy applies to all employees, contractors, and stakeholders associated with CHEMSOL at every level of the organization. This includes senior management, middle management, staff, temporary workers, and third-party suppliers. By setting clear expectations for behavior and conduct, the policy ensures that every individual involved with CHEMSOL understands their role in maintaining a workplace that is free from discrimination, harassment, and abuse. All individuals are expected to adhere to the principles outlined in the policy, promoting a safe and respectful environment.

#### ◆ Business Area

This policy covers all business functions within CHEMSOL, including the trading and distribution of chemicals, raw materials, and construction equipment spare parts. It extends to all operations related to the handling, storage, and transportation of these materials, ensuring that every aspect of the business fosters an inclusive, respectful, and non-discriminatory work environment. This policy is designed to promote a culture of respect and fairness across every business unit, enhancing both employee satisfaction and business performance.

#### ◆ Geographical Area

This policy applies to all operations of CHEMSOL within the Kingdom of Saudi Arabia and any other regions or territories where CHEMSOL conducts business. Whether in local offices, warehouses, or international locations, the policy ensures a consistent approach to maintaining a safe, inclusive, and respectful workplace.





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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 64 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

### 3. Governance

The governance of this policy is overseen by the ESG Committee and the HR Department, ensuring a comprehensive approach to promoting a respectful and inclusive work environment. Both departments collaborate with management and senior leadership to provide guidance, support, and resources for effective implementation. The ESG Committee monitors compliance with the policy, while HR manages employee training, reporting mechanisms, and case resolution. Regular audits and reviews of the policy are conducted to assess its effectiveness, address potential issues, and ensure alignment with evolving best practices, legal requirements, and organizational goals for a diverse and inclusive workplace.

### 4. Definition of Terms

#### ◆ Discrimination

Discrimination occurs when individuals are treated unfairly or unequally based on characteristics such as race, gender, age, sexual orientation, religion, disability, nationality, or other protected attributes. This harmful practice undermines the principles of equality and inclusivity. CHEMSOL is committed to preventing discrimination by promoting equal opportunities for all employees and ensuring a workplace where diversity is respected. Employees who experience or witness discrimination are encouraged to report the incident through appropriate channels to ensure corrective actions are taken and that a respectful work environment is upheld.

#### ◆ Harassment

Harassment includes any unwanted, discriminatory, or offensive behavior that creates a hostile or intimidating environment. It can take various forms, including verbal, physical, or psychological abuse, and can target individuals based on their race, gender, religion, or other protected characteristics. CHEMSOL has a zero-tolerance policy towards harassment and strives to ensure a safe and respectful workplace for everyone. Employees are encouraged to report harassment confidentially, and the company will investigate all complaints to take corrective action, ensuring no retaliation occurs against the complainant.

#### ◆ Inclusion

Inclusion refers to fostering a work environment that values and respects the diverse backgrounds, perspectives, and experiences of all employees. It means creating a culture where all employees, regardless of their personal attributes or beliefs, feel welcomed, supported, and heard. At CHEMSOL, inclusion is integral to our organizational culture. We encourage open dialogue, promote diversity in decision-making, and ensure that every employee has equal access to opportunities for growth and advancement. Our inclusive environment strengthens teamwork and helps drive innovation by leveraging the diverse strengths of our workforce.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 65 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

#### ◆ Equity

Equity is about ensuring fair treatment, opportunities, and advancement for all individuals, considering their unique needs, challenges, and circumstances. Unlike equality, which treats everyone the same, equity involves providing tailored support to help employees overcome obstacles they may face due to their personal or systemic barriers. At CHEMSOL, we are committed to equity by offering support programs, mentorship, and training opportunities that allow employees to thrive in their roles. The company ensures that decisions related to promotion, pay, and career development are made based on merit and fairness, reflecting individual potential and contributions.

## 5. Roles and Responsibilities

#### ◆ Management

Management plays a crucial role in ensuring the successful implementation of the diversity and inclusion policy by setting the tone for ethical behavior across the organization. They are responsible for monitoring compliance, addressing issues promptly, and taking corrective actions where necessary. Management must also lead by example, embodying the values of respect, fairness, and inclusivity in their daily interactions and decision-making processes. Their commitment to fostering a diverse and inclusive workplace is vital for creating an environment where all employees can thrive and feel valued.

#### ◆ HR Department

The HR Department is responsible for executing key elements of the diversity and inclusion policy, including managing training programs aimed at increasing awareness and understanding of diversity-related issues. They handle complaints related to discrimination, harassment, or abuse and ensure that these concerns are dealt with promptly and fairly. The HR team also tracks progress on diversity and inclusion initiatives, monitors workplace behavior, and works to create a supportive, respectful environment for all employees. HR ensures that the policy is continually updated to reflect the company's commitment to equity and inclusion.

#### ◆ Employees

Employees are expected to actively contribute to a respectful and inclusive workplace by treating their colleagues with dignity, regardless of their background or personal characteristics. They are responsible for adhering to the policy, participating in diversity and inclusion initiatives, and reporting any instances of discrimination, harassment, or abuse through established channels. Employees should feel empowered to raise concerns without fear of retaliation, knowing that their actions help to foster an environment of mutual respect, understanding, and equality in the workplace.

#### ◆ ESG Committee

The ESG (Environmental, Social, and Governance) Committee is tasked with overseeing the integration of diversity and inclusion practices within CHEMSOL's broader ESG framework. They ensure that the company's policies align with ESG goals and best practices, contributing to a more sustainable and socially responsible business.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 66 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

The committee is also responsible for conducting annual reviews of the policy's effectiveness, ensuring that it evolves in line with changing societal expectations, legal requirements, and organizational priorities. They work with management and HR to make adjustments and improvements as needed to uphold a culture of inclusivity.

## 6. Inclusive Workplace Policy

### 6.1 Encouraging Incident Reporting

CHEMSOL is committed to providing a safe and confidential environment for employees to report any incidents of discrimination or harassment. We understand that underreporting can be a significant issue, and we encourage employees to speak up without fear of retaliation. Safe and anonymous reporting channels are made available, and every report is treated with the utmost confidentiality. Our robust investigative process ensures that all incidents are thoroughly examined and appropriate actions are taken. We are dedicated to addressing any concerns promptly, ensuring all employees feel supported and protected in the workplace.

### 6.2 Diversity Training Programs

CHEMSOL acknowledges the importance of continuous education in promoting diversity, equity, and inclusion within the workplace. We provide mandatory training for all employees to raise awareness and build understanding of the importance of a respectful and inclusive work environment. This training covers key topics such as anti-discrimination, unconscious bias, and creating an inclusive culture. By investing in these initiatives, CHEMSOL aims to create a workplace where all employees are equipped with the knowledge and tools to contribute positively, ensuring that diversity is celebrated and respected across the organization.

### 6.3 Preventing Workplace Harassment

CHEMSOL enforces a strict zero-tolerance policy against all forms of harassment and bullying, including verbal, physical, or psychological abuse. Any employee found engaging in such behavior will face immediate corrective action. We are committed to creating a safe, respectful workplace where every employee is valued. In response to complaints, we ensure timely investigations and provide resources for support, including counseling services. Employees are encouraged to report any incidents confidently, knowing they will be taken seriously and handled discreetly. By doing so, CHEMSOL reinforces its commitment to a harassment-free work environment.

### 6.4 Promoting Workplace Equality

CHEMSOL ensures that vulnerable groups, including migrant workers and women, are treated equitably within the workplace. We are committed to providing a safe and fair environment where these groups have access to equal opportunities for training, career advancement, and benefits. Our policies actively promote inclusivity and support the development of diverse talent. We recognize the specific challenges faced by these groups and ensure that they receive the support needed to thrive in their roles. CHEMSOL is dedicated to eliminating all forms of workplace inequity and fostering a culture of inclusiveness.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 67 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 6.5 Ensuring Fair Opportunities

CHEMSOL is dedicated to ensuring that recruitment, promotion, and compensation decisions are based solely on qualifications, performance, and experience. We strictly prohibit discrimination based on gender, race, age, disability, or any other protected category. Our recruitment processes aim to attract a diverse pool of candidates and offer equal opportunities for all employees. We commit to eliminating bias at every level and ensuring a fair, transparent approach in all employment decisions. By fostering diversity, we strengthen the organization and provide an equitable work environment where all individuals can thrive.

## 7. ESG Objectives

| Sl. No | Sustainability Issue            | Objective  | Measure                            | Target Value 2025                    |
|--------|---------------------------------|--|------------------------------------|--------------------------------------|
| 1      | Encouraging Incident Reporting  | Increase reporting of DEI-related concerns       | No. of incidents reported          | ↑ 2 reports                          |
| 2      | Diversity Training Programs     | Enhance awareness and inclusivity                | No. of diversity training sessions | ↑ 3 sessions (+100%)                 |
| 3      | Preventing Workplace Harassment | Reduce harassment incidents                      | No. of harassment cases reported   | ↓ 0 cases                            |
| 4      | Promoting Workplace Equality    | Foster a fair and equitable work environment     | % employees feeling included       | ↑ 95% positive feedback              |
| 5      | Ensuring Fair Opportunities     | Ensure transparent and fair hiring and promotion | % diversity in hiring              | ↑ 30% hires from diverse backgrounds |

## 8. Reference to Various Applicable Standards, Laws, and Acts

- Universal Declaration of Human Rights
- International Labor Organization's Fundamental Conventions
- United Nations Global Compact (10 principles)
- OECD Guidelines for Multinational Enterprises
- Standard ISO 26000 (International Standard Organisation)
- Saudi Labor Law
- OHSAS 18001 (Occupational Health and Safety Assessment Series)
- Global Reporting Initiative (GRI) Standards
- Equal Employment Opportunity Law



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 68 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 9. Distribution and Annual Review

This policy will be shared with all employees, contractors, and business partners through the company intranet and during new employee inductions. It will be revisited annually to evaluate its effectiveness and to ensure that it aligns with changing legal requirements, business needs, and industry best practices. During this review, feedback will be gathered from employees and stakeholders, which will inform necessary revisions and updates. This process ensures that the policy remains relevant and continues to promote a work environment free of discrimination, harassment, and abuse, while fostering inclusion and diversity.

## 10. Disciplinary Action for Policy Violators

CHEMSOL takes policy violations seriously to ensure that its workplace remains free from discrimination, harassment, and abuse. Employees who engage in such behaviors will face appropriate disciplinary actions, which may include formal warnings, suspension, or even termination, depending on the severity of the violation. The actions will be consistent with the company's established disciplinary procedures, ensuring fairness and transparency. By enforcing these consequences, CHEMSOL reinforces its commitment to a respectful and inclusive work environment, where all employees are held accountable for their actions and behaviors in the workplace.

## 11. Reporting Mechanism

CHEMSOL provides a confidential and secure reporting mechanism for employees to report any incidents of discrimination, harassment, or abuse. Employees are encouraged to use the designated channels, such as a confidential email address, a safety hotline, or directly reporting to their supervisor or HR representative. These channels ensure that concerns are addressed promptly and with confidentiality. All reports will be investigated thoroughly, and appropriate actions will be taken to resolve the issue, ensuring a fair process and protection for those involved from any form of retaliation.

## 11. Conclusion

CHEMSOL is committed to creating a workplace where all employees feel respected, valued, and included. By implementing this policy, we aim to prevent all forms of discrimination, harassment, and abuse, fostering an environment that supports diversity, equity, and inclusion. We encourage every employee to actively participate in cultivating a positive, inclusive culture that encourages both personal and professional growth. Through adherence to this policy, we will continue to prioritize the well-being of all employees, ensuring that CHEMSOL remains a great place to work for everyone.





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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 69 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## WORKPLACE STANDARDS POLICY

### CHEMSOL/ESG/POLICY- 10

## 1. Purpose

The purpose of this ESG policy is to ensure that CHEMSOL fosters a safe, fair, and supportive work environment for all employees. The policy focuses on providing fair wages, reasonable working hours, flexible working arrangements, and comprehensive social benefits. By aligning with both international labor standards and local regulations, This policy ensures compliance with relevant laws while promoting a healthy work-life balance. Ultimately, it supports the company's commitment to creating a workplace where employees are valued, supported, and empowered to succeed.

## 2. Scope of Application

### ◆ Employee Inclusion

This policy applies to all employees of CHEMSOL, including permanent, temporary, and contract staff. It encompasses all operational levels across the company, from management to entry-level positions. By ensuring this policy is inclusive of all employment types, it aims to create a unified approach to workplace well-being and fairness. This ensures that no employee is excluded from receiving equal treatment, fair compensation, and protection of their rights, regardless of their employment status or role within the organization.

### ◆ Business Area

This policy spans all business functions within CHEMSOL, including trading, distribution, production, warehousing, and administrative roles. Each department is required to comply with the policy's guidelines to ensure that all employees have a safe, fair, and supportive work environment. The policy addresses the unique challenges within these functions, promoting fair wages, reasonable working hours, and equal opportunities across all sectors. It aims to maintain consistency in working conditions across the organization while upholding the principles of fairness and respect.

### ◆ Geographical Area

The policy is applicable across all CHEMSOL operations within the Kingdom of Saudi Arabia (KSA) and extends to all subsidiaries of the company. By aligning with local labor laws and international standards, it ensures consistent implementation of best practices across all locations. This geographic coverage ensures that no matter where employees work, they are entitled to the same protections and benefits. The policy will be adjusted to remain compliant with both KSA's legal framework and any international regulations, ensuring CHEMSOL's operations maintain high ethical standards.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 70 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

### 3. Governance

The policy will be governed by the Human Resources (HR) Department, which will take the lead in ensuring compliance with its provisions. HR will monitor the effectiveness of the policy by tracking key performance indicators, collecting employee feedback, and evaluating outcomes to ensure the policy's goals are being met. The department will also be responsible for implementing training programs, resolving complaints, and reporting progress to senior management. Senior management will support the policy by allocating necessary resources, including budget and personnel, to ensure its successful implementation. Together, they will maintain alignment with CHEMSOL's overall strategic goals.

### 4. Definition of Terms

#### ◆ Working Conditions

Working conditions encompass the physical and psychological environment in which employees operate, ensuring their safety, comfort, and well-being. This includes maintaining reasonable working hours, offering competitive remuneration, providing a safe and healthy workspace, and ensuring fair treatment. CHEMSOL prioritizes a healthy work environment by adhering to occupational health and safety standards, mitigating hazards, and fostering a culture of respect and support. By upholding strong working conditions, CHEMSOL aims to boost employee satisfaction, reduce turnover, and enhance productivity.

#### ◆ Work-life Balance

Work-life balance is essential for employee well-being, ensuring that employees can meet work responsibilities while also dedicating time to personal life. This includes family commitments, hobbies, and rest. CHEMSOL supports work-life balance by promoting policies that allow employees to manage their professional and personal lives effectively. Initiatives such as flexible work hours, paid time off, and mental health support help employees strike a balance between work demands and personal priorities, leading to greater job satisfaction and reduced burnout.

#### ◆ Flexible Working Arrangements

Flexible working arrangements empower employees to adjust their working hours or work remotely to suit personal needs. CHEMSOL recognizes the importance of flexibility, especially in a diverse workforce with varying personal obligations. By allowing employees to work from home or modify their hours, CHEMSOL promotes a more inclusive, adaptable workplace. These policies help improve employee morale, increase productivity, and attract top talent, as employees are empowered to manage their work schedules while meeting personal needs effectively.

#### ◆ Social Benefits

Social benefits are a crucial part of CHEMSOL's employee value proposition. These benefits include health insurance, pension plans, paid time off, and other perks designed to promote employees' physical and financial well-being. CHEMSOL offers comprehensive health coverage, financial planning assistance, and paid leave for vacations, sick days, and public holidays.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 71 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

By providing these benefits, CHEMSOL aims to support employees in managing their health, securing their future, and achieving a better work-life balance, thus fostering loyalty and enhancing overall job satisfaction.

## 5. Roles and Responsibilities

### ◆ HR Department

The HR Department plays a central role in implementing, monitoring, and reviewing the working conditions policy. It ensures that employees are informed about their rights and responsibilities through clear communication and training programs. HR will regularly conduct employee satisfaction surveys to gauge the effectiveness of the policy and identify areas for improvement. Additionally, the department will collaborate with management to ensure that the policy is being followed and that any discrepancies are addressed promptly. HR is also responsible for updating the policy in line with legal changes and employee feedback to ensure ongoing relevance and compliance.

### ◆ Managers and Supervisors

Managers and supervisors are responsible for ensuring that their teams adhere to the company's working conditions policy. They play a critical role in monitoring employees' workloads, addressing concerns about working hours, and ensuring a proper work-life balance. By fostering open communication, managers can identify stress or burnout early and implement solutions such as adjusting workloads or offering support. Supervisors will also ensure that employees are aware of their rights under the policy, act as role models for maintaining healthy work conditions, and ensure that team members receive the necessary training and resources to thrive in their roles.

### ◆ Employees

Employees are expected to adhere to CHEMSOL's working conditions policy by respecting the guidelines around working hours, workload management, and maintaining a healthy work-life balance. They are encouraged to proactively report any issues or discrepancies regarding their working conditions to management or HR. Employees should actively participate in training and awareness programs designed to educate them on their rights, responsibilities, and best practices for a safe and respectful work environment. By taking responsibility for their own well-being and engaging in the policy's initiatives, employees contribute to creating a positive and productive workplace culture.

## 6. Workplace Standards Policy

### 6.1 Family Support Programs

CHEMSOL is focused on creating a family-friendly work environment by providing employees with several programs designed to support their personal and family needs. These include paid parental leave, flexible work arrangements, and breastfeeding breaks for new mothers. To further support employees with young families, the company may offer childcare services or allowances.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 72 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

By implementing these family-oriented initiatives, CHEMSOL ensures that employees are able to fulfill their work responsibilities while also attending to their family commitments. This approach enhances job satisfaction and contributes to the well-being and overall happiness of employees.

#### 6.2 Managing Workplace Stress

CHEMSOL acknowledges the detrimental effects of work-related stress and burnout on both productivity and overall employee well-being. To mitigate these risks, the company will implement proactive measures, including regular workload assessments and the promotion of mental health support programs. Employees will be encouraged to take breaks, utilize vacation time, and engage in stress-reducing activities. Open communication will be fostered to ensure employees feel comfortable discussing concerns. By addressing these issues, CHEMSOL aims to maintain a healthy, productive work environment that allows employees to thrive while avoiding the negative impacts of stress and burnout.

#### 6.3 Overtime Compensation Policy

CHEMSOL is dedicated to ensuring employees have reasonable working hours that promote a healthy work-life balance. Overtime will be limited and only required when mutually agreed upon, in compliance with KSA labor laws. All overtime will be fairly compensated according to legal requirements and company policies. The organization aims to prevent employee fatigue by ensuring that working hours are manageable and not excessive. By adhering to these standards, CHEMSOL seeks to protect employees' well-being while ensuring the company maintains productivity and efficiency within the confines of labor regulations.

CHEMSOL ensures that employees working beyond standard hours, including overtime or atypical hours, are fairly compensated according to KSA labor laws and international best practices. Employees who contribute extra time, whether outside regular working hours or on weekends, will receive additional compensation for their efforts. This commitment helps maintain high employee morale, ensures compliance with labor regulations, and fosters a sense of fairness in the workplace. By fairly compensating employees for their time, CHEMSOL also mitigates the risk of burnout and promotes a positive, productive working environment.

#### 6.4 Upholding Labor Compliance

CHEMSOL is fully committed to adhering to KSA labor laws and international labor standards. This includes compliance with regulations related to working hours, overtime pay, and overall employee rights. The company recognizes that compliance is vital not only for legal reasons but also for maintaining a fair and ethical workplace. To ensure that all business operations, including trading and distribution, follow these regulations, CHEMSOL will conduct regular audits. If any discrepancies or violations are identified, corrective actions will be implemented to rectify non-compliance, maintaining the integrity and legal standing of the company.



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|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 73 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

#### 6.5 Workplace Pay Equity

CHEMSOL is dedicated to promoting equal opportunities for all employees, ensuring fair treatment regardless of gender, race, age, or any other characteristic. The company implements various initiatives, such as mentoring programs, networking groups, and targeted actions to ensure that all employees have access to the same career advancement and professional development opportunities. By eliminating discrimination in all forms, CHEMSOL fosters an inclusive workplace where every employee has the opportunity to thrive. These efforts contribute to a culture of diversity and equal opportunity, empowering employees to reach their full potential and succeed.

#### 6.6 Enhancing Employee Benefits

CHEMSOL is committed to offering comprehensive social benefits to its employees, ensuring their physical, mental, and financial well-being. These benefits include health insurance, retirement plans, paid sick leave, parental leave, and other essential perks in alignment with local regulations. The company recognizes that a robust benefits package is key to attracting and retaining top talent. To meet evolving employee needs and industry standards, CHEMSOL will regularly review and update its benefits offerings. This commitment underscores the company's dedication to fostering a supportive and sustainable work environment that prioritizes employee welfare.

#### 6.7 Combating Workplace Harassment

CHEMSOL is committed to promoting a respectful and inclusive work environment through comprehensive training programs for all employees. These programs will focus on recognizing and preventing discrimination, harassment, and inappropriate behavior in the workplace. Employees will be educated on how to foster a positive and safe environment, both for themselves and their colleagues. By equipping employees with the knowledge and tools to address these issues, CHEMSOL aims to create a harmonious and productive workplace where all individuals feel respected, valued, and able to contribute fully to the organization's success.

#### 6.8 Flexible Work Option

CHEMSOL recognizes the importance of offering flexibility in working arrangements to promote employee satisfaction and work-life balance. Depending on role requirements and individual circumstances, the company will provide options such as remote work, flexitime, and compressed workweeks. This flexibility allows employees to balance work with personal commitments, thereby reducing stress and enhancing productivity. CHEMSOL believes that providing these options helps create a supportive and accommodating environment, improving employee morale and reducing burnout, while ensuring that the company's operational needs are met in a way that benefits both the business and its employees.





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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 74 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 6.9 Preventing Workplace Discrimination

CHEMSOL is dedicated to supporting employees' work-life balance by offering flexible work arrangements, such as adjustable working hours, remote work options, and paid parental and care leaves. These arrangements aim to accommodate the personal needs of employees while ensuring business operations continue smoothly. For new mothers, the company provides breastfeeding breaks, allowing them to manage both their professional and family responsibilities effectively. By offering these flexible options, CHEMSOL strives to create a supportive and balanced work environment, helping employees maintain a healthy balance between their career and personal lives.

## 6.10 Ensuring Pay Equity

CHEMSOL strives to maintain a fair and inclusive workplace, ensuring that all employees are treated equitably in terms of pay, working conditions, and career opportunities. The company is committed to equal pay for equal work, regardless of gender, ethnicity, or background. To monitor fairness, CHEMSOL will regularly conduct pay equity audits and address any disparities identified. Furthermore, the organization will work to ensure that all employees have access to the same opportunities for career advancement. By addressing potential inequities, CHEMSOL fosters a diverse and inclusive environment where every employee is valued and supported.

## 7. ESG Objectives

| Sl. No | Sustainability Issue         | Objective  | Measure                            | Target Value 2025  |
|--------|------------------------------|--|------------------------------------|--------------------|
| 1      | Family Support Programs      | Enhance support programs for employees' families | No. of family support initiatives  | ↑ 2 programs       |
| 2      | Managing Workplace Stress    | Reduce employee stress levels                    | % employees reporting high stress  | ↓ 10% decrease     |
| 3      | Overtime Compensation Policy | Ensure fair compensation for overtime            | % employees receiving overtime pay | ↑ 100% compliance  |
| 4      | Upholding Labor Compliance   | Ensure adherence to labor laws and regulations   | % compliance with labor laws       | ↑ 100% compliance  |
| 5      | Workplace Pay Equity         | Promote equal pay for equal work                 | % pay gap reduction                | ↓ 5% gap reduction |
| 6      | Enhancing Employee Benefits  | Improve overall employee benefits package        | No. of benefits added              | ↑ 2 new benefits   |





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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 75 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

|    |                                |   |                                   |                   |
|----|--------------------------------|---|-----------------------------------|-------------------|
| 7  | Combating Workplace Harassment | Prevent harassment and promote a respectful work culture              | No. of harassment complaints      | ↓ 0 complaints    |
| 8  | Improving Work Flexibility     | Increase work flexibility options                                     | % employees with flexible options | ↑ 50% increase    |
| 9  | Flexible Work Options          | Enhance availability of remote or flexible work options               | No. of flexible work options      | ↑ 10 options      |
| 10 | Ensuring Pay Equity            | Ensure equal pay for all employees regardless of gender or background | % gender pay equity               | ↑ 100% pay equity |

## 8. Reference to Various Applicable Standards, Laws, Acts

- Universal Declaration of Human Rights (UDHR)
- International Labor Organization (ILO) Conventions
- OHSAS 18001 (Occupational Health and Safety)
- United Nations Global Compact (UNGC) Principles
- OECD Guidelines for Multinational Enterprises
- Global Reporting Initiative (GRI) Standards
- ISO 26000 (International Standard Organization)
- KSA Labor Law and any applicable national legislation
- ILO Conventions on Working Hours, Wages, and Fair Treatment

## 9. Distribution and Annual Review

The policy will be distributed to all employees during their onboarding process, ensuring that everyone is aware of their rights and responsibilities from the start. To maintain awareness, the policy will be periodically reinforced through workshops and training sessions. These initiatives will help employees stay informed about any changes or updates to the policy. The HR Department, in collaboration with senior management, will conduct an annual review of the policy to ensure it remains in alignment with legal changes, industry best practices, and employee feedback. This ensures the policy remains relevant and effective in promoting fair working conditions.

## 10. Disciplinary Action for Policy Violators

Any violations of the working conditions policy, such as failure to comply with the established guidelines regarding working hours, workloads, or benefits, will result in disciplinary actions. These actions will be in accordance with the company's established disciplinary procedures and local labor laws. Consequences may include verbal warnings, written reprimands, or, in severe cases, termination of employment. Each violation will be assessed individually, with the severity of the consequence based on the nature of the breach. The goal is to maintain a fair and respectful workplace, holding employees accountable while ensuring consistency in enforcement.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 76 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 11. Reporting Mechanism

CHEMSOL provides multiple channels for employees to report concerns regarding working conditions. Employees can raise issues directly with HR via email or phone, ensuring a clear path for communication. In addition, a designated employee relations officer is available to address concerns and provide support. For those who wish to remain anonymous, feedback can be submitted through internal surveys. A whistleblower hotline is also available for sensitive matters. CHEMSOL ensures that all reports are handled confidentially and investigated thoroughly, with a strong emphasis on protecting employees from retaliation, thereby fostering a safe environment for reporting concerns.

## 12. Conclusion

CHEMSOL is committed to fostering a healthy, supportive, and inclusive working environment. This policy aims to ensure that all employees are treated with fairness and respect, receive adequate compensation, have access to social benefits, and enjoy a healthy work-life balance. By integrating ESG principles into our working conditions, we strive to enhance employee well-being, boost productivity, and ensure legal compliance.



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|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 77 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## DATA INTEGRITY POLICY

### CHEMSOL/ESG/POLICY- 11

## 1. Purpose

The purpose of this policy is to establish a framework for the responsible management and protection of all third-party information handled by CHEMSOL. This includes personal data of employees and consumers, intellectual property, trade secrets, and confidential business partner information. The policy outlines the procedures and standards for securely collecting, processing, storing, and sharing third-party information, ensuring that all data is managed in compliance with relevant laws and regulations. By implementing these measures, CHEMSOL aims to mitigate potential operational, financial, and reputational risks that could arise from information security breaches. The policy ensures that third-party information is handled with the highest level of confidentiality and integrity, safeguarding both organizational and stakeholder interests

## 2. Scope of Application

### ◆ Confidentiality Compliance

This policy applies to all employees, contractors, third-party vendors, and any stakeholders involved in managing or handling third-party confidential information. This includes those working directly with sensitive data, as well as any individuals with access to such information in the course of their duties. All parties must adhere to the policy's guidelines on the secure collection, storage, and sharing of third-party data to ensure confidentiality and integrity. The policy also extends to all individuals who are responsible for ensuring compliance with information security standards and regulations across all operations.

### ◆ Business Area

The policy applies to all business areas of CHEMSOL, encompassing trading and distribution, special additives, food and feed, raw materials for various industries, and chemicals for sectors such as construction, mining, oil & gas, and electroplating. This includes the procurement, management, and sharing of third-party confidential information within these areas. Each department and business operation must ensure that sensitive data handled within their respective domains complies with the policy's security standards. The policy is integral to maintaining the confidentiality and protection of information within all operational sectors of the business.

### ◆ Geographical Area

This policy applies globally but is specifically governed by local regulations in the Kingdom of Saudi Arabia (KSA) and the international regulations to which CHEMSOL adheres. It encompasses all of CHEMSOL's operations worldwide, ensuring that third-party confidential information is handled consistently and securely, regardless of location.



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|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 78 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

The policy is designed to comply with the legal frameworks and best practices of both local jurisdictions and global standards, ensuring that the protection of confidential information aligns with the regulatory requirements of each region in which the company operates.

### 3. Governance

The governance of this policy will be overseen by CHEMSOL's Data Protection Officer (DPO) and Information Security Committee. The DPO is responsible for ensuring that the company complies with all data protection and information security standards. This includes conducting regular audits, addressing security breaches, and reporting findings to senior management. The DPO will manage any incidents related to data security, ensuring they are addressed promptly and in accordance with legal and regulatory requirements. The Information Security Committee will support the DPO in developing and updating policies, overseeing implementation, and ensuring ongoing compliance across the organization.

### 4. Definition of Terms

#### ◆ Third-Party Information

Third-party information refers to confidential data shared by external stakeholders such as employees, customers, suppliers, and business partners. This may include personal identification information (PII), financial data, intellectual property, trade secrets, or any proprietary business information. The protection and management of third-party information are vital to maintaining trust and safeguarding against potential risks. CHEMSOL takes responsibility for ensuring all third-party information is stored, processed, and shared in accordance with relevant security protocols and legal regulations.

#### ◆ Data Breach

A data breach occurs when third-party confidential data is accessed, disclosed, or destroyed without authorization. This can result from cyber-attacks, human error, or system vulnerabilities. Data breaches can cause significant harm to individuals and businesses, leading to reputational damage, legal repercussions, and financial losses. CHEMSOL has established robust systems to detect and prevent data breaches, ensuring that sensitive information remains secure and protected against unauthorized access or misuse.

#### ◆ Information Security Management System (ISMS)

An Information Security Management System (ISMS) is a structured framework of policies, procedures, and controls designed to protect sensitive information from unauthorized access, modification, loss, or corruption. It ensures that information security risks are managed effectively across an organization, based on risk assessments and compliance with applicable laws and regulations. CHEMSOL's ISMS focuses on maintaining the confidentiality, integrity, and availability of third-party information, ensuring the business meets its obligations to protect sensitive data and uphold trust with partners and stakeholders.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 79 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

#### ◆ Sensitive Data

Sensitive data refers to any information that, if exposed or compromised, could result in harm, distress, or financial loss. This includes personal data (such as social security numbers, credit card details, and healthcare information), intellectual property, trade secrets, and any other confidential data that is critical to business operations. CHEMSOL prioritizes the protection of sensitive data through strict access controls, encryption, and adherence to regulatory standards to ensure its confidentiality and security, preventing potential misuse or harm to individuals or the business.

## 5. Roles and Responsibilities

#### ◆ Employees

Employees play a crucial role in ensuring the confidentiality and security of third-party information. They are responsible for complying with all information security policies and practices, including reporting any suspicious activities or potential security incidents. Employees must be vigilant about protecting sensitive data, both digital and physical, and must follow the procedures set forth for data access, handling, and sharing. Regular training sessions will be provided to ensure that employees understand their responsibilities in protecting third-party information and maintaining the overall security of the company's operations.

#### ◆ Data Protection Officer (DPO)

The Data Protection Officer (DPO) oversees the implementation and enforcement of this information security policy. The DPO is responsible for conducting training programs to ensure that employees are well-informed about data protection requirements and best practices. In case of data breaches, the DPO manages the response process, coordinates incident investigations, and ensures that any necessary corrective actions are taken. The DPO also ensures compliance with relevant data protection laws and industry standards, regularly reviewing and updating the policy to adapt to changing security threats.

#### ◆ Senior Management

Senior management plays a critical role in supporting the information security policy by allocating the necessary resources for its implementation and ensuring that a robust security culture is fostered within the organization. They are responsible for setting the strategic direction for data protection, making informed decisions on security investments, and ensuring that all employees are aligned with the company's commitment to safeguarding third-party information. Senior management must also ensure ongoing monitoring and reporting on information security initiatives and hold departments accountable for maintaining compliance with security standards.

#### ◆ IT Department

The IT department is responsible for ensuring the security of the company's systems, networks, and infrastructure. This includes conducting vulnerability assessments, installing security software, and implementing access control mechanisms to prevent unauthorized access to third-party information. The IT department works closely with other departments to monitor for security breaches and implement corrective actions.



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|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 80 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

Additionally, they are responsible for regular system updates, patch management, and disaster recovery plans, ensuring that the organization's digital environment remains resilient against potential cyber threats or data breaches.

## 6. Data Integrity Policy

### 6.1 Protecting Data Security

CHEMSOL prioritizes secure data handling practices to safeguard both personal and business-related information. All employees receive training on the proper storage, handling, and transfer of sensitive data. Policies are in place to control access to sensitive information, ensuring only authorized personnel can view or process specific data. Employees are educated about the importance of confidentiality and the risks associated with improper data handling, which could lead to unauthorized access or data breaches. By adhering to secure data handling protocols, the company mitigates the risk of data loss, regulatory non-compliance, and potential reputational damage.

### 6.2 Preventing Data Breaches

CHEMSOL is committed to preventing data breaches and unauthorized access to third-party information by implementing comprehensive security measures. This includes strict access control protocols, advanced encryption technologies, firewalls, and intrusion detection systems. Regular vulnerability assessments and penetration testing will be conducted to identify and address potential weaknesses. All employees will receive mandatory training on data privacy, secure information handling, and incident response procedures. By adopting a proactive approach to cybersecurity, CHEMSOL ensures that third-party confidential information remains protected against both internal and external threats, thus safeguarding our business operations and maintaining the trust of our partners and clients.

### 6.3 Assessing Data

CHEMSOL conducts regular, thorough information security risk assessments to identify potential vulnerabilities in its systems and processes. These assessments help pinpoint areas where data security could be compromised, and allow the company to implement mitigation strategies to address identified risks. Employees play a crucial role in this process, being trained to report any security concerns or potential vulnerabilities they observe. By proactively managing risks and implementing updated security measures, CHEMSOL ensures that its systems remain secure, safeguarding sensitive data from breaches and ensuring compliance with legal and regulatory requirements.

### 6.4 Ensuring Legal Compliance

CHEMSOL is dedicated to ensuring full compliance with national and international information security laws and standards, including the General Data Protection Regulation (GDPR), the KSA Personal Data Protection Law, and ISO/IEC 27001. We actively monitor legal developments and adapt our policies and procedures to remain compliant with regulatory changes. Compliance audits are conducted regularly to identify and rectify any gaps. Employees receive ongoing training to stay informed about their obligations.





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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 81 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

By maintaining rigorous compliance practices, CHEMSOL minimizes legal, financial, and reputational risks associated with information security and reinforces our commitment to protecting third-party confidential information responsibly.

#### 6.5 Maintaining Information Integrity

CHEMSOL understands that trust is a fundamental pillar of business success. To mitigate the risk of losing trust due to poor information management practices, we are committed to complete transparency and continuous improvement in our data management protocols. We communicate clearly with customers, partners, and other stakeholders about how we collect, store, process, and protect their information. Regular audits, updates to security systems, and open lines of communication ensure that concerns are addressed proactively. By maintaining high standards of information security and data governance, CHEMSOL builds and sustains long-term trust with all stakeholders, strengthening our brand reputation.

#### 6.6 Ensuring Data Encryption

CHEMSOL employs advanced data encryption techniques to protect sensitive information both in transit and at rest. All employees are trained in the importance of encryption and secure storage practices, ensuring that data is stored in secure, encrypted environments. This includes safeguarding digital records, as well as physical documents that contain sensitive information. By implementing encryption standards and secure storage protocols, the company ensures that unauthorized access to critical data is prevented, significantly reducing the risk of data breaches, identity theft, and compliance violations, while reinforcing the integrity of its information security framework.

#### 6.7 Information Security Training

CHEMSOL is committed to ensuring that all employees are equipped with the necessary knowledge and skills to manage and protect sensitive information effectively. To achieve this, we will implement comprehensive information security training programs that include interactive workshops, online learning modules, and periodic assessments. The training content will be updated regularly to address emerging cybersecurity risks, evolving compliance requirements, and industry best practices. Participation in these programs will be mandatory for all employees, and certificates of completion will be issued to those who successfully fulfill the training requirements. Continuous education will foster a culture of security awareness across CHEMSOL.

#### 6.8 Incident Response Protocols

CHEMSOL has established a comprehensive incident response plan to quickly and effectively address potential information security breaches. Employees are trained on how to identify, report, and respond to security incidents to minimize any impact. A clear and accessible reporting mechanism is in place, ensuring that employees can report suspicious activities or security concerns promptly. Regular drills and simulations are conducted to ensure the company's readiness to handle security breaches. By streamlining the response process and ensuring timely reporting, CHEMSOL can quickly mitigate the consequences of data breaches and prevent further unauthorized exposure of information.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 82 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 7. ESG Objectives

| Sl. No | Sustainability Issue              | Objective   | Measure                                | Target Value 2025                        |
|--------|-----------------------------------|---|--|--|
| 1      | Protecting Data Security          | Safeguard sensitive data from unauthorized access                 | % of sensitive data protected          | ↑ 100% data protected                    |
| 2      | Preventing Data Breaches          | Minimize incidents of data breaches                               | No. of data breaches reported          | ↓ 0 breaches                             |
| 3      | Assessing Data Risks              | Identify and assess potential data security risks                 | % of data risks assessed               | ↑ 100% risk assessment                   |
| 4      | Ensuring Legal Compliance         | Ensure adherence to data protection laws and regulations          | % compliance with legal standards      | ↑ 100% compliance                        |
| 5      | Maintaining Information Integrity | Maintain the accuracy and reliability of data                     | % of data integrity maintained         | ↑ 100% integrity                         |
| 6      | Ensuring Data Encryption          | Encrypt all sensitive data to protect against unauthorized access | % of sensitive data encrypted          | ↑ 100% data encrypted                    |
| 7      | Information Security Training     | Provide training to employees on information security             | % of employees trained                 | ↑ 100% trained employees                 |
| 8      | Incident Response Protocols       | Establish clear protocols for responding to data incidents        | % of incidents with response protocols | ↑ 100% incidents with response protocols |

## 8. Reference to Applicable Standards, Laws, Acts

- General Data Protection Regulation (GDPR) (EU)
- Personal Data Protection Law (KSA)
- ISO/IEC 27001: Information Security Management
- OECD Guidelines for Multinational Enterprises
- United Nations Global Compact (10 Principles)
- Foreign Corrupt Practices Act (FCPA)
- United Nations Convention Against Corruption (UNCAC)



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 83 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 9. Distribution and Annual Review

This policy will be distributed to all CHEMSOL employees, contractors, and third-party vendors involved in handling third-party confidential information. All relevant parties must acknowledge and commit to complying with the policy as a condition of their engagement with the company.

To maintain its effectiveness and alignment with evolving legal, regulatory, and industry standards, the policy will be reviewed annually by the Data Protection Officer (DPO) and the Information Security Committee. Feedback from stakeholders may also be incorporated during the review process. Updates and revisions will be communicated promptly to ensure everyone remains informed and compliant with the latest requirements.

## 10. Disciplinary Action for Policy Violators

CHEMSOL maintains a zero-tolerance approach to violations of this policy. Any employee, contractor, or third-party vendor found guilty of mishandling third-party confidential information or engaging in behavior that compromises information security will face disciplinary actions. These actions may include verbal or written warnings, mandatory retraining, termination of employment or contractual agreements, and potential legal proceedings. Financial penalties may also be pursued depending on the extent and impact of the violation. All disciplinary actions will be handled in accordance with CHEMSOL's internal procedures and relevant labor laws, ensuring fairness, transparency, and protection of the company's and stakeholders' interests.

## 11 Reporting Mechanism

All employees and stakeholders are required to immediately report any suspected or confirmed breaches of third-party confidential information. Reports should be made to the Data Protection Officer (DPO) or through the designated confidential whistleblower mechanism, which ensures anonymity and protection against retaliation. CHEMSOL provides regular training sessions to employees, helping them recognize potential information security incidents and understand the steps for reporting breaches promptly and responsibly. Early detection and reporting are essential to mitigating risks and ensuring compliance. All reports will be investigated thoroughly, and appropriate corrective actions will be taken based on the findings.

## 12. Conclusion

CHEMSOL is committed to maintaining the highest standards of information security management to ensure the confidentiality, integrity, and availability of third-party data. By implementing these measures, we aim to safeguard our business operations, protect stakeholder interests, and maintain compliance with all relevant legal and regulatory frameworks.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 84 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## HARASSMENT PREVENTION POLICY

### CHEMSOL/ESG/POLICY- 12

## 1. Purpose

The purpose of this policy is to ensure that CHEMSOL provides a safe, respectful, inclusive, and equitable workplace environment for all employees. We are committed to fostering a culture where every individual is treated with dignity, fairness, and respect, regardless of gender, race, age, religion, nationality, disability, or any other personal characteristic. CHEMSOL strictly prohibits any form of harassment, discrimination, or abuse—whether physical, psychological, verbal, or otherwise. We aim to create a supportive atmosphere where employees feel valued, heard, and empowered to perform to their fullest potential.

## 2. Scope of Application

### ◆ Workplace Inclusivity

This policy applies to all individuals engaged with CHEMSOL, including full-time, part-time, contract, and temporary employees. It also extends to interns, consultants, suppliers, contractors, and visitors involved in business operations. All these groups are expected to comply with the guidelines outlined in this policy to ensure a safe, respectful, and equitable work environment. CHEMSOL holds all parties accountable for fostering a culture of dignity, equality, and respect within the workplace and throughout all external interactions related to the company's operations.

### ◆ Business Areas

This policy applies to all business areas within CHEMSOL, including trading and distribution activities in various sectors such as special additives, pigments and dyes, food and feed ingredients, raw materials for adhesives, plastics, rubbers, paints and coatings, oil and gas, water treatment, construction chemicals, mining chemicals, electroplating chemicals, and construction equipment spare parts. It governs how employees, contractors, suppliers, and other stakeholders interact and ensure compliance with ethical standards and best practices in each of these business segments. All departments and operations under CHEMSOL's umbrella are required to adhere to these principles.

### ◆ Geographical Area

The scope of this policy encompasses all CHEMSOL locations and operations within the Kingdom of Saudi Arabia (KSA), including offices, warehouses, distribution centers, and remote work setups. Additionally, this policy applies to any international operations CHEMSOL conducts, ensuring consistency in how employees and associated stakeholders are treated, regardless of location. It is imperative that all employees, regardless of their geographic location, uphold the values and standards set by this policy to maintain a unified, respectful, and inclusive work environment globally.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 85 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

### 3. Governance

The Human Resources (HR) Department, under the governance of the ESG Committee, is responsible for overseeing the implementation and enforcement of this policy. The HR Manager will play a pivotal role in ensuring that the policy is effectively executed across all operations, including conducting training programs, investigating any incidents related to harassment or discrimination, and ensuring compliance with the policy. The HR Manager will also be responsible for regularly reporting any relevant findings, incidents, or updates to senior management to ensure continued adherence to the policy and to promote a respectful, safe, and inclusive workplace culture.

### 4. Definition of Terms

#### ◆ Harassment

Harassment refers to any unwanted or inappropriate conduct that creates an intimidating, hostile, or offensive work environment. It can involve behavior related to characteristics such as age, sex, race, disability, religion, sexual orientation, or any other personal attribute. Harassment undermines dignity, causing distress or discomfort to the affected individuals. CHEMSOL commits to preventing such behaviors and providing a safe, respectful workplace for all employees.

#### ◆ Discrimination

Discrimination is the unfair or unequal treatment of individuals based on characteristics such as age, gender, nationality, religion, disability, or other protected attributes. This behavior undermines equality in the workplace, denying individuals equal opportunities and fair treatment. CHEMSOL is committed to fostering an inclusive environment that values diversity and prevents discrimination of any kind.

#### ◆ Abuse

Abuse encompasses any physical, psychological, or verbal actions that cause harm or intimidation to others. It includes actions like bullying, threats, or aggressive behavior intended to control or hurt another person. CHEMSOL strictly prohibits any form of abuse, ensuring a safe and supportive work environment where all employees feel respected and protected from harm.

### 5. Roles and Responsibilities

#### ◆ Management

The management team at CHEMSOL is responsible for creating and maintaining a safe, respectful, and inclusive work environment. This includes providing appropriate training, acting promptly on complaints, and fostering a culture that prevents harassment, discrimination, and abuse. They will ensure that all employees have access to the necessary resources and support systems to address any concerns. Management is committed to taking immediate and appropriate action to resolve incidents, ensuring the well-being of all employees while maintaining high ethical standards in the workplace.





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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 86 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

#### ◆ Employees

Employees are expected to abide by the company's policy on harassment, discrimination, and abuse, contributing to a safe and respectful workplace. They should participate in training sessions to understand the policy and its implications. Employees must also report any incidents of harassment, discrimination, or abuse immediately to the HR department or designated authority. By upholding the principles of this policy, employees play a crucial role in maintaining a positive and inclusive work environment at CHEMSOL.

#### ◆ HR Department

The HR department is responsible for investigating any complaints regarding harassment, discrimination, or abuse in a fair, timely, and confidential manner. They will ensure that all allegations are thoroughly examined, taking appropriate corrective actions where necessary. The HR team will maintain confidentiality throughout the investigation process, ensuring that employees feel safe and supported when reporting incidents. They will also provide necessary support and guidance to affected employees, ensuring the proper implementation of the policy within the organization.

#### ◆ ESG Committee

The ESG (Environmental, Social, Governance) Committee is tasked with periodically monitoring the effectiveness of the harassment, discrimination, and abuse policy. They will assess its implementation and recommend improvements to enhance the work environment. The committee will review reports and feedback, track any trends in incidents, and work with management and HR to ensure continuous improvement. By overseeing the policy's effectiveness, the ESG Committee helps ensure that CHEMSOL upholds its commitment to social responsibility, fairness, and inclusivity in the workplace.

## 6. Harassment Prevention Policy

### 6.1 Monitoring Harassment Policies

CHEMSOL is committed to the continuous improvement of its anti-harassment policies through regular monitoring and audits. These evaluations will assess the effectiveness of training programs, the proper utilization of reporting mechanisms, and the handling of harassment cases. Audits will also track the overall incidence of harassment, enabling the company to identify areas for improvement. By gathering and analyzing this data, CHEMSOL ensures that its harassment policies remain effective and responsive, making necessary adjustments to maintain a safe and respectful workplace for employees.

### 6.2 Ensuring Fair Practices

CHEMSOL ensures that all recruitment, compensation, and promotion decisions are based on merit, qualifications, and objective criteria. We regularly review and audit our policies and practices to ensure that all employees are treated fairly and equitably, regardless of gender, age, race, or other personal characteristics. Transparent procedures for decision-making in employment-related matters are established to prevent any form of bias or unfair treatment. We also gather employee feedback to continuously improve our processes and maintain fairness in the workplace.





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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 87 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

#### 6.3 Supporting Harassment Victims

CHEMSOL takes a strong stand against all forms of harassment—physical, psychological, or verbal. We have adopted a zero-tolerance policy to maintain a safe and respectful workplace for all employees. To prevent harassment, we provide mandatory training that educates employees on recognizing inappropriate behavior. We also offer a confidential reporting mechanism, ensuring employees can report incidents without fear of retaliation. This proactive approach ensures that any form of harassment is addressed swiftly and effectively.

CHEMSOL ensures that employees who experience harassment receive appropriate support throughout the process. This support includes access to counseling services, accommodations, and adjustments to work assignments as necessary to ensure the employee's well-being. The company is dedicated to assisting employees in their recovery and facilitating their return to a productive work environment. By offering these resources, we aim to minimize the impact of harassment and provide employees with the tools they need to regain confidence and continue their work in a safe, supportive atmosphere.

#### 6.4 Promoting Workplace Diversity

CHEMSOL is dedicated to fostering a diverse and inclusive workplace where every individual is respected, valued, and able to thrive. We prioritize diversity in our recruitment, training, and development practices, ensuring that our team is composed of individuals from different backgrounds and perspectives. By promoting inclusion, we create a culture that celebrates differences and prevents discrimination and harassment. This inclusive environment allows all employees to contribute meaningfully to the organization's success, knowing that they are supported and that their voices are heard and valued.

#### 6.5 Supporting Vulnerable Workforce

CHEMSOL is dedicated to supporting vulnerable groups within the workplace, including women, migrant workers, and older workers. We ensure equal opportunities by promoting diversity and providing tailored support programs that cater to the unique needs of these groups. Our inclusive culture respects the rights of every employee, and we actively work to eliminate any barriers to participation.

#### 6.6 Preventing Workplace Harassment

CHEMSOL recognizes the importance of continuous education on anti-harassment and anti-discrimination practices. To address this, we organize regular, mandatory training sessions for all employees and management. These sessions focus on raising awareness, recognizing harassment and discrimination, and learning how to prevent such behavior. The training also covers the steps to take when incidents occur and how to support affected individuals. This ensures that employees are equipped with the knowledge to contribute to a respectful and inclusive workplace environment.

CHEMSOL is committed to educating all employees on identifying, preventing, and addressing harassment through comprehensive training programs. These sessions will be conducted regularly to ensure that employees understand their rights and responsibilities within the workplace.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 88 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

The training will also cover the various types of harassment, the reporting mechanisms available, and the consequences of engaging in inappropriate behavior. By fostering awareness and understanding, CHEMSOL aims to cultivate a supportive and safe workplace where employees feel confident in addressing any incidents of harassment and can thrive in a respectful environment.

#### 6.7 Preventing Workplace Discrimination

CHEMSOL is committed to fostering an inclusive work environment where all employees are treated fairly and equitably. We prohibit discrimination based on gender, age, race, religion, disability, nationality, or any other protected characteristic. Recruitment, compensation, promotion, and termination decisions will be made solely based on the individual's qualifications, performance, and business needs. We ensure that all employees have equal access to opportunities and are not subjected to bias or unfair treatment at any stage of their employment.

#### 6.8 Harassment Reporting Systems

CHEMSOL provides employees with clear, confidential, and accessible channels for reporting harassment incidents. Employees can choose from various reporting options, including anonymous submissions, direct contact with HR personnel, and a formal grievance procedure. These mechanisms are designed to ensure that employees feel safe and supported when voicing their concerns. All reports are treated with the utmost confidentiality, and we ensure that employees are aware that their concerns will be taken seriously and handled promptly, fostering a sense of trust and security within the organization.

#### 6.9 Protecting Complainants Rights

CHEMSOL enforces a strict zero-tolerance policy for retaliation against anyone who reports harassment or discrimination. Retaliation in any form—whether verbal, physical, or emotional—is strictly prohibited and will result in disciplinary action. We are committed to ensuring that employees who come forward to report issues are protected and supported. This policy encourages employees to speak up without fear of negative consequences, helping to create an environment where concerns can be addressed openly, fostering a culture of safety, trust, and accountability within the organization.

#### 6.10 Protecting Whistleblower Rights

CHEMSOL has a strict no-retaliation policy to protect employees who report concerns regarding discrimination, harassment, or abuse. We ensure that all whistleblowers and complainants are protected from any form of retaliation, whether direct or indirect. Employees have access to anonymous reporting channels, and we safeguard the confidentiality of all individuals involved in reporting incidents. This commitment is fundamental to maintaining an open and transparent environment, where employees feel safe in raising concerns without fear of retribution.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 89 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 7. ESG Objectives

| Sl. No | Sustainability Issue                | Objective   | Measure                                       | Target Value 2025                       |
|--------|-------------------------------------|---|---|---|
| 1      | Monitoring Harassment Policies      | Regularly monitor and review harassment policies          | % of policies reviewed and updated            | ↑ 100% policies reviewed                |
| 2      | Ensuring Fair Practices             | Ensure all workplace practices are free of discrimination | % of practices ensuring fairness              | ↑ 100% fair practices                   |
| 3      | Supporting Harassment Victims       | Provide support for victims of harassment                 | % of victims receiving support                | ↑ 100% victims supported                |
| 4      | Promoting Workplace Diversity       | Foster a diverse and inclusive workplace                  | % of workforce representing diverse groups    | ↑ 60% diversity in workforce            |
| 5      | Supporting Vulnerable Workforce     | Provide extra support for vulnerable employees            | % of vulnerable employees supported           | ↑ 100% vulnerable employees supported   |
| 6      | Preventing Workplace Harassment     | Reduce incidents of workplace harassment                  | No. of harassment incidents reported          | ↓ 0 incidents                           |
| 7      | Preventing Workplace Discrimination | Eliminate discrimination in the workplace                 | % of employees experiencing no discrimination | ↑ 100% employees without discrimination |
| 8      | Harassment Reporting Systems        | Implement an accessible system for reporting harassment   | % of employees aware of reporting system      | ↑ 100% awareness                        |
| 9      | Protecting Complainants Rights      | Ensure the protection of complainants from retaliation    | % of complainants protected from retaliation  | ↑ 100% complainants protected           |
| 10     | Protecting Whistleblower Rights     | Protect whistleblowers from retaliation                   | % of whistleblowers protected                 | ↑ 100% whistleblowers protected         |



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 90 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 8. References to Standards, Laws, and Acts

- Universal Declaration of Human Rights
- International Labour Organization (ILO) Fundamental Conventions
- ISO 26000 (Social Responsibility)
- United Nations Global Compact (Principles 1, 2, 6)
- OECD Guidelines for Multinational Enterprises
- GRI Standards
- Standard OHSAS 18001 / ISO 45001
- Saudi Arabia Labor Law
- Anti-Discrimination and Harassment Laws in KSA

## 9. Distribution and Annual Review

The Anti-Harassment Policy will be distributed to all employees as part of their onboarding process and will be made readily available on the company intranet for easy access. To ensure continued compliance, annual training sessions and refresher courses will be held, providing employees with a clear understanding of the policy and its importance. The policy will undergo an annual review to assess its effectiveness and relevance. Additionally, any significant regulatory changes will prompt an immediate review and update of the policy to ensure compliance with current laws and best practices.

## 10. Disciplinary Action for Policy Violators

Violations of the Anti-Harassment Policy will result in disciplinary action appropriate to the severity of the incident. Actions may include formal warnings, mandatory retraining on company policies, suspension, demotion, or even termination for severe breaches. In cases of extreme harassment or abuse, legal action may be pursued in accordance with Saudi laws. The company is committed to creating a respectful work environment and will take all necessary steps to hold individuals accountable for actions that undermine the well-being and safety of other employees.

## 11. Reporting Mechanism

Employees have several avenues to report any incidents of harassment, discrimination, or abuse. They can confidentially report concerns through the HR hotline or email, directly to HR personnel, or anonymously via the company's whistleblower portal. All reports will be treated with the utmost confidentiality and investigated promptly. There will be zero tolerance for retaliation against any employee who reports incidents in good faith. The company is dedicated to maintaining a safe and supportive environment, where all employees can raise concerns without fear of negative repercussions.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 91 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 12. Conclusion

CHEMSOL is fully committed to maintaining a work environment that is free from harassment, discrimination, and abuse. We believe that every employee deserves to work in a setting where they are treated with dignity, respect, and fairness. By fostering a culture of inclusivity and mutual respect, we empower our workforce to contribute their best, enhancing both individual well-being and collective performance. This commitment not only aligns with our ethical and legal responsibilities but also strengthens our organizational resilience, drives innovation, and boosts overall productivity. At CHEMSOL, creating a safe and supportive workplace is fundamental to our long-term success and values.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 92 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## CONFIDENTIAL REPORTING POLICY

### CHEMSOL/ESG/POLICY- 13

## 1. Purpose

The purpose of this policy is to provide a clear and structured procedure for stakeholders—employees, suppliers, partners, and contractors—to confidentially report any concerns or incidents regarding the mishandling, breach, or misuse of third-party confidential information. This policy ensures that all stakeholders have access to a secure, reliable, and confidential reporting mechanism to raise issues related to data security. By empowering stakeholders to report any concerns without fear of retaliation, we aim to protect the integrity of sensitive data, mitigate potential risks, and prevent harm to third-party interests. Ultimately, this policy supports CHEMSOL's commitment to maintaining high standards of information security and preserving the trust and confidence of all stakeholders in our data protection practices.

## 2. Scope of Application

### ◆ Data Security

This policy applies to all stakeholders, including employees, contractors, business partners, suppliers, and customers who have access to or interact with CHEMSOL's information systems and third-party data. All individuals involved in the handling or processing of third-party confidential information must adhere to this policy. This includes any stakeholders who may have physical or digital access to sensitive data, ensuring that data security and confidentiality are maintained at all stages of its lifecycle. Each stakeholder is responsible for upholding the privacy and security of third-party data in compliance with the policy.

### ◆ Business Area

This policy covers all departments that handle, process, store, or distribute third-party information, including but not limited to, trading, distribution, and processing of chemicals and additives, as well as handling customers' personal data, intellectual property, business secrets, and other confidential information. This includes functions related to product development, supply chain management, sales, marketing, legal affairs, and information technology. Employees and partners in these business areas must ensure that third-party data is securely managed, compliant with relevant regulations, and protected from unauthorized access or misuse.

### ◆ Geographical Area

This policy applies to CHEMSOL's operations within the Kingdom of Saudi Arabia (KSA) as well as any international locations where the company is responsible for managing third-party data. The policy ensures that consistent information security practices are followed across all regions in which CHEMSOL operates. It covers the protection of sensitive data both locally and globally, complying with





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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 93 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

relevant laws and regulations in KSA and the specific requirements of each international jurisdiction where CHEMSOL conducts business, safeguarding third-party data at every level of operation.

### 3. Governance

The governance of this policy is overseen by the Chief Information Security Officer (CISO) and the Corporate Compliance Team. The CISO is responsible for the overall direction and implementation of information security measures, ensuring that all third-party confidential data is managed in line with this policy. The Corporate Compliance Team works closely with the CISO to monitor compliance, conduct regular audits, and assess risks related to information security practices. Together, they ensure that the policy remains effective, addressing emerging threats and regulatory requirements. The CISO and Compliance Team are also tasked with reporting to executive management, providing updates on policy implementation, incidents, and any necessary corrective actions to ensure the continued security and confidentiality of third-party data.

### 4. Definition of Terms

#### ◆ Whistleblower

A whistleblower is any stakeholder, including employees, contractors, or external parties, who reports concerns or incidents related to information security. This individual may come forward with information about unauthorized access, misuse, or any other actions that compromise the confidentiality, integrity, or availability of third-party data. Whistleblowers play a crucial role in maintaining a secure work environment by identifying and reporting risks that could affect the company's information security and reputation. Their identity will be protected, and they will be assured that reporting concerns will not result in retaliation.

#### ◆ Information Security Concern

An information security concern refers to any suspicion, observation, or knowledge of an event or situation where third-party data is at risk of unauthorized access, misuse, or loss. This includes personal information, intellectual property, trade secrets, or other sensitive business data. Any event, such as a system vulnerability, suspicious activity, or breach attempt, is considered an information security concern. Reporting such concerns promptly helps mitigate risks and ensures that timely corrective actions are taken to safeguard the company's data and maintain stakeholder trust.

#### ◆ Confidential Information

Confidential information refers to proprietary or sensitive data that CHEMSOL holds, which is entrusted to the company by stakeholders, including customers, employees, business partners, and suppliers. This information may include personal data, trade secrets, intellectual property, business strategies, financial records, or any other data that must be protected under contractual, regulatory, or ethical obligations. It is essential that this information is handled and stored securely to prevent unauthorized access or misuse. Protecting confidential information is a key responsibility of all individuals who have access to it within the organization.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 94 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

#### ◆ Breach

A breach is any incident or event in which there is unauthorized access to, disclosure of, or destruction of confidential data. This can occur due to hacking, accidental sharing of sensitive data, system vulnerabilities, or any failure in information security protocols. A breach may involve third-party data, including personal information, trade secrets, or intellectual property, which can cause significant harm to stakeholders and damage the company's reputation. Any breach, regardless of its size, must be reported immediately and investigated thoroughly to mitigate its impact and prevent future incidents.

## 5. Roles and Responsibilities

#### ◆ Whistleblowers

Whistleblowers play a crucial role in maintaining CHEMSOL's information security by promptly reporting any concerns related to unauthorized access, misuse, or loss of confidential data. They are encouraged to report through designated channels, such as the confidential whistleblower hotline or secure email, to ensure transparency and accountability. Whistleblowers are protected by confidentiality measures to prevent retaliation, fostering an open environment where concerns can be raised freely. Their proactive involvement helps identify and mitigate risks early, contributing to a culture of continuous improvement in the organization's data protection practices.

#### ◆ Information Security Team

The Information Security Team is responsible for thoroughly investigating any reported information security concerns, identifying the root causes of potential risks or breaches, and implementing corrective actions to protect sensitive data. This team ensures that all systems, networks, and procedures adhere to industry best practices for data security. They also assess potential vulnerabilities, monitor for emerging threats, and provide guidance on how to strengthen security measures across the organization. Their role is central in maintaining the integrity of data and safeguarding third-party information, ultimately reducing the likelihood of future security incidents.

#### ◆ Compliance Team

The Compliance Team ensures that CHEMSOL remains compliant with local and international regulations regarding information security, such as GDPR, KSA Data Protection Law, and others. They work closely with the Information Security Team to ensure that all actions taken align with legal requirements and industry standards. Additionally, the Compliance Team provides support to stakeholders throughout the whistleblower process, guiding them on how to report concerns, maintaining confidentiality, and ensuring that proper investigations are conducted. Their expertise ensures that CHEMSOL's operations meet regulatory obligations while also maintaining ethical standards in handling data.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 95 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

#### ◆ Senior Management

Senior Management is responsible for providing the leadership, resources, and support necessary to enforce the Information Security Policy effectively. They ensure that appropriate actions are taken to address any information security concerns reported by whistleblowers, including allocating necessary resources for investigations and corrective measures. Senior Management sets the tone for a culture of security by promoting accountability, transparency, and continuous improvement. They also play a key role in ensuring that the organization stays compliant with all regulations and takes appropriate steps to mitigate risks, ensuring the protection of sensitive data and stakeholder trust.

## 6. Confidential Reporting Policy

### 6.1 External Reporting Channel

For particularly sensitive or complex information security concerns, CHEMSOL will allow reporting through an external third-party service provider. This independent provider ensures that reports are handled with confidentiality and impartiality, offering an additional layer of security for stakeholders who may feel uncomfortable reporting internally. The external mechanism provides a trusted, anonymous channel for whistleblowers, reinforcing the company's commitment to transparency and accountability while protecting the privacy and interests of those raising concerns.

### 6.2 Data Protection Non-Compliance

CHEMSOL ensures strict adherence to local and international data protection regulations, including GDPR, ISO 27001, and Saudi Arabia's data protection laws. We maintain a comprehensive Information Security Management System (ISMS) that is aligned with industry standards to guarantee full compliance. Regular audits are conducted to monitor the effectiveness of our policies and practices in protecting sensitive third-party data. Any discrepancies identified during these audits will be addressed immediately to ensure compliance and maintain the trust of our stakeholders and regulators.

### 6.3 Ongoing Reporting Enhancement

CHEMSOL is committed to the continuous improvement of its whistleblower procedure. Feedback from stakeholders and outcomes of investigations will be regularly reviewed to enhance the reporting process. Lessons learned from past incidents will be used to refine the procedure, ensuring it remains effective, secure, and responsive to emerging challenges. Regular reviews will incorporate new best practices, ensuring the process adapts to evolving risks and that stakeholders always have a reliable and efficient means to report information security concerns.

### 6.4 Cyber security Breach Risks

CHEMSOL prioritizes securing all third-party data we manage. To prevent unauthorized access and data breaches, we implement advanced cybersecurity measures such as firewalls, encryption, and multi-factor authentication. Regular vulnerability assessments will be conducted to identify potential security gaps. Any identified risks will be promptly mitigated with the latest cybersecurity technologies and strategies.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 96 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

Furthermore, we will keep up-to-date with emerging cyber threats, ensuring that our defense systems evolve to meet new challenges, thereby maintaining the confidentiality and integrity of sensitive third-party information at all times

#### 6.5 Anti-Retaliation Policy

CHEMSOL is committed to protecting whistleblowers from retaliation in any form. No stakeholder who reports information security concerns in good faith will face discrimination, retaliation, or adverse consequences, regardless of whether the concern is substantiated. This policy applies to all employees, contractors, and business partners. We ensure that whistleblowers can report security issues without fear of repercussions, fostering an environment of accountability and transparency, and empowering stakeholders to speak up for the protection of sensitive data and security.

#### 6.5 Independent Reporting Oversight

To ensure the fairness and transparency of the whistleblower procedure, CHEMSOL will implement independent oversight. An impartial body, separate from the Information Security team, will periodically review the reporting process, ensuring that concerns are handled objectively and without bias. This oversight mechanism guarantees that the whistleblower process remains fair, transparent, and free from internal or external influence. It strengthens the integrity of the reporting system and reassures stakeholders that their concerns will be addressed with the utmost professionalism and impartiality.

#### 6.6 Sensitive Information Exposure

At CHEMSOL, protecting the confidentiality of third-party data is a top priority. We enforce strict access control mechanisms and limit access to sensitive information on a need-to-know basis. Only authorized personnel with specific responsibilities are allowed access to confidential data. This ensures that unauthorized disclosures are prevented. In addition, we employ encryption and secure communication protocols to further safeguard sensitive information from potential external and internal threats, ensuring that confidentiality is maintained throughout its lifecycle.

#### 6.7 Information Security Awareness

CHEMSOL is dedicated to maintaining a high level of awareness regarding information security across all employees. We provide continuous training programs that cover essential security best practices, including identifying and responding to potential cybersecurity threats like phishing attacks. Additionally, we train employees on the proper handling of third-party confidential data to ensure compliance with data protection regulations. This proactive approach helps reduce human error and equips employees with the necessary skills to recognize and mitigate information security risks, ensuring a safer workplace for everyone.

#### 6.8 Reporting Communication Channel

CHEMSOL has established a secure and accessible reporting channel for all stakeholders to report information security concerns. This includes an internal email address, a third-party hotline, and a direct contact within the Information Security team.



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 97 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

The dedicated reporting mechanism ensures that all stakeholders have a reliable and confidential way to report security issues, guaranteeing that their concerns will be handled professionally and with the utmost priority. This process enables transparency and ensures that every report is addressed promptly and effectively, providing a safe space for individuals to voice concerns.

#### 6.9 Insider Threats

CHEMSOL recognizes that insider threats pose a significant risk to data security. To mitigate this risk, we implement thorough background checks for employees and contractors with access to sensitive third-party data. We also monitor and log access to critical systems, ensuring that any suspicious activity is detected and addressed promptly. Regular audits of employee access and behavior further reduce the likelihood of insider threats. By establishing a culture of accountability and vigilance, we aim to prevent unauthorized access or misuse of sensitive information by trusted individuals.

#### 6.10 Prompt Investigation Response

CHEMSOL is committed to investigating all information security concerns promptly. Once a report is received, the investigation process will be initiated immediately, with clear and regular updates provided to the whistleblower on the status of their report. The company ensures that each concern is resolved within a defined timeframe, and corrective actions are implemented where necessary. The timely handling of reports ensures that potential security risks are addressed quickly, safeguarding sensitive data and maintaining a high level of trust among stakeholders.

#### 6.11 Reporting Procedure

CHEMSOL is committed to integrity, transparency, and ethical conduct. We have established a secure whistleblower procedure to enable all stakeholders—employees, suppliers, customers, and partners—to confidentially report any suspected incidents of corruption, bribery, or unethical practices. Reports can be submitted via designated email or hotline, ensuring anonymity and protection against retaliation. All allegations are promptly investigated by an independent compliance team. CHEMSOL upholds zero tolerance for corruption and ensures that concerns are addressed fairly, with corrective actions implemented as necessary. This process reinforces our ESG values and commitment to responsible business practices.

#### 6.12 Training and Awareness

CHEMSOL will conduct regular training and awareness programs to educate all stakeholders on the whistleblower procedure and how to report information security concerns. These programs will ensure that employees, contractors, and partners understand the importance of safeguarding sensitive information and are familiar with the protection mechanisms available to them. Training will include guidance on recognizing potential security risks, how to report them confidentially, and how to utilize the available reporting channels. Continuous education helps maintain a high level of awareness and readiness to respond to security concerns effectively.





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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 98 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

## 7. ESG Objectives

| Sl. No | Sustainability Issue            | Objective   | Measure   | Target Value 2025                      |
|--------|---------------------------------|---|---|--|
| 1      | External Reporting Channel      | Ensure accessible reporting channel for information security concerns | % of stakeholders aware of reporting channels   | ↑ 100% awareness                       |
| 2      | Data Protection Non-Compliance  | Address any data protection non-compliance                            | No. of incidents of non-compliance              | ↓ 0 incidents                          |
| 3      | Ongoing Reporting Enhancement   | Continuously enhance reporting systems and procedures                 | % of system improvements implemented            | ↑ 100% system improvements             |
| 4      | Cyber security Breach Risks     | Identify and mitigate cyber security breach risks                     | No. of cyber security breach risks identified   | ↓ 0 breaches                           |
| 5      | Anti-Retaliation Policy         | Ensure no retaliation against whistleblowers                          | % of whistleblowers protected from retaliation  | ↑ 100% protection                      |
| 6      | Independent Reporting Oversight | Ensure independent oversight for reporting system                     | % of reports reviewed by independent body       | ↑ 100% independent review              |
| 7      | Sensitive Information Exposure  | Protect sensitive information from exposure                           | % of sensitive information protected            | ↑ 100% sensitive information protected |
| 8      | Information Security Awareness  | Increase awareness about information security among stakeholders      | % of stakeholders trained on security awareness | ↑ 100% trained                         |
| 9      | Reporting Communication Channel | Ensure clear communication of reporting channels                      | % of stakeholders using reporting channels      | ↑ 100% usage                           |
| 10     | Insider Threats                 | Mitigate insider threats related to information security              | No. of insider threats identified               | ↓ 0 incidents                          |
| 11     | Prompt Investigation Response   | Ensure timely response to all whistleblower reports                   | % of investigations completed on time           | ↑ 100% investigations on time          |



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### ESG – POLICY MANUAL

|                               |              |               |  |                    |
|-------------------------------|--------------|---------------|--|--------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 99 of 136 |
|-------------------------------|--------------|---------------|--|--------------------|

|    |                         |  |                                      |                              |
|----|-------------------------|--|--------------------------------------|------------------------------|
| 12 | Whistleblower Reporting | Encourage whistleblowers to report security concerns     | No. of reports received              | ↑ Increase by 50% in reports |
| 13 | Training and Awareness  | Provide training and awareness programs for stakeholders | % of stakeholders receiving training | ↑ 100% trained               |

## 8. Reference to Various Applicable Standards, Laws, and Acts

- Foreign Corrupt Practices Act of 1977: Prevents bribery and requires companies to maintain accurate books and records, applicable to handling sensitive data.
- United Nations Convention Against Corruption (UNCAC): Promotes the prevention of corruption, including ensuring transparency and protection for whistleblowers.
- United Nations Global Compact (10 Principles): Emphasizes anti-corruption, data protection, and transparency, applicable to maintaining ethical data practices.
- ISO 27001 (Information Security Management Systems): An international standard for information security, guiding the organization in securing third-party data.
- General Data Protection Regulation (GDPR): European regulation concerning data protection and privacy, impacting companies handling EU residents' data.
- Saudi Data and Artificial Intelligence Authority (SDAIA): Local regulations governing data protection and privacy in KSA.

## 9. Distribution and Annual Review

The Information Security Policy will be effectively communicated to all stakeholders through a combination of training sessions, internal communications, and onboarding materials. These efforts ensure that all employees, contractors, and partners are fully aware of their roles and responsibilities in maintaining data security. Additionally, the policy will be easily accessible on the company's internal portal for reference. The Compliance and Information Security teams will conduct an annual review of the policy to assess its effectiveness, ensure it aligns with regulatory requirements, and make necessary updates to address emerging security risks and threats.

## 10. Disciplinary Action for Policy Violators

Employees found in violation of the Information Security Policy will face disciplinary action, based on the severity of the violation. Penalties may include verbal or written warnings, mandatory retraining, suspension, or termination. For external parties, such as contractors or partners, violations may lead to the termination of contracts and possible legal action in accordance with the severity of the infraction. These measures ensure that all stakeholders understand the seriousness of information security and the consequences of failing to uphold the standards outlined in the policy, maintaining trust and accountability across the organization.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 100 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

## 11. Reporting Mechanism

CHEMSOL will provide a secure and confidential reporting mechanism to ensure stakeholders can safely report any information security concerns. This may include a dedicated online platform, hotline, or other secure communication channels. The Information Security Team will promptly investigate all reported issues to determine the validity of the concern, resolve the matter, and implement corrective actions to prevent recurrence. CHEMSOL guarantees that all reports will be treated with the utmost confidentiality and that whistleblowers will not face retaliation in any form. This reporting system promotes transparency and reinforces a culture of trust and accountability.

## 12. Conclusion

CHEMSOL is committed to maintaining the highest standards of information security and data protection. This policy provides clear guidelines for reporting information security concerns and reinforces our dedication to ethical business practices. By empowering stakeholders to report concerns, we ensure that CHEMSOL operates with integrity and transparency, safeguarding sensitive data from misuse or breach.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 101 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

## FAIR TREATMENT POLICY

### CHEMSOL/ESG/POLICY- 14

## 1. Purpose

The purpose of this Non-Discrimination Policy is to foster a work environment where all employees are treated with dignity, respect, and fairness, regardless of gender, age, race, ethnicity, religion, sexual orientation, disability, or any other characteristic protected by law. CHEMSOL is committed to promoting diversity, equity, and inclusion across all aspects of its operations. This policy ensures that the workplace remains free from discrimination, harassment, and any form of physical, psychological, or verbal abuse. By upholding these principles, CHEMSOL strives to create an inclusive and supportive environment where every employee can thrive.

## 2. Scope of Application

### ◆ Equal Treatment

This Non-Discrimination Policy applies to all employees, contractors, interns, and temporary workers engaged in any capacity by CHEMSOL. It ensures that all individuals within the organization, regardless of their role, are protected from discrimination or harassment and are treated with fairness, respect, and dignity. This extends to everyone who interacts with the company, including those in temporary or external contracts, ensuring equal rights and opportunities for all.

### ◆ Business Area

The policy covers all areas of CHEMSOL's operations, including trading, distribution, and handling of various products such as special additives, pigments, food and feed ingredients, raw materials, and construction equipment spare parts. It encompasses both internal and external activities, ensuring nondiscriminatory practices in all business functions.

### ◆ Geographical Area

This policy applies to all CHEMSOL locations, including offices, warehouses, distribution centers, and customer-facing sites, whether located in the Kingdom of Saudi Arabia (KSA) or internationally. It is a global policy, ensuring that the same standards of non-discrimination are upheld across all regions where CHEMSOL operates, regardless of local laws or practices.

## 3. Governance

The policy will be overseen by the Human Resources Department (HRD) and the Diversity, Equity, and Inclusion (DEI) Committee. These entities are responsible for ensuring the policy's implementation and monitoring across the organization. Senior management will regularly evaluate the effectiveness of the policy, providing necessary resources for its success, and conducting an annual review to ensure its alignment with organizational goals and changing legal requirements.



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### ESG – POLICY MANUAL

Doc No:  
CHEMSOL/ESG/POLICY

Issue No: 03

Rev No:  
00

Initial Issue : 5<sup>th</sup> January, 2023  
First Annual Review : 4<sup>th</sup> January, 2024  
Second Annual Review : 4<sup>th</sup> January, 2025

Page No: 102 of  
136

## 4. Definition of Terms

### ◆ Discrimination

Discrimination refers to the unfair or unequal treatment of individuals based on personal characteristics, such as gender, age, race, ethnicity, disability, sexual orientation, religion, or national origin. It involves actions or policies that negatively impact individuals or groups due to these inherent or socially constructed attributes. Discrimination can manifest in hiring practices, promotion opportunities, pay disparities, or any workplace decision-making process. CHEMSOL is committed to eradicating all forms of discrimination, ensuring that every individual is treated with fairness and respect in every aspect of the organization's operations.

### ◆ Harassment

Harassment is any unwelcome behavior, action, or conduct that causes distress or discomfort to another individual, thereby creating a hostile or intimidating environment. This includes verbal, physical, or psychological conduct that undermines an individual's dignity or sense of well-being. Harassment can take many forms, such as bullying, inappropriate comments, unwanted physical contact, or offensive jokes. CHEMSOL upholds a zero-tolerance policy towards harassment, promoting a respectful and safe environment where all employees can work without fear of intimidation or undue distress, regardless of their personal attributes or beliefs.

### ◆ Diversity

Diversity refers to the inclusion of individuals from varied backgrounds, perspectives, and identities within the workplace. It encompasses differences in race, ethnicity, gender, sexual orientation, disability, religion, culture, and more. By embracing diversity, CHEMSOL ensures that the workforce reflects the society in which it operates, fostering innovation and creative problem-solving. A diverse workplace encourages mutual respect and understanding among employees, improving collaboration and decision-making processes. CHEMSOL is dedicated to promoting diversity by recruiting and retaining individuals from diverse backgrounds, creating an environment where everyone feels valued and included.

### ◆ Equity

Equity ensures fair treatment, opportunities, and access for all employees, addressing any systemic barriers or disadvantages that may exist in the workplace. Unlike equality, which offers the same opportunities to all, equity recognizes that people have different needs and faces obstacles based on various personal or social factors. CHEMSOL is committed to eliminating these barriers, ensuring that everyone has access to the resources and support necessary for success. By providing tailored opportunities for growth, training, and advancement, the company ensures that all employees can thrive and contribute meaningfully to the organization's goals.





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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 103 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

## 5. Roles and Responsibilities

### ◆ Senior Management

Senior management at CHEMSOL plays a crucial role in ensuring the successful implementation of the Non-Discrimination Policy across all operations. They are responsible for allocating sufficient resources to support training and awareness programs and ensuring the monitoring and reporting of compliance. By setting the tone at the top, senior management demonstrates a commitment to diversity, equity, and inclusion. They are also responsible for evaluating the policy's effectiveness and making strategic decisions to improve or adjust practices, ensuring that the work environment is free from discrimination and promotes fairness for all employees.

### ◆ Human Resources

The Human Resources (HR) department is tasked with enforcing the Non-Discrimination Policy throughout CHEMSOL. HR is responsible for managing any complaints related to discrimination or harassment, investigating these concerns promptly, and ensuring that appropriate disciplinary actions are taken where necessary. Additionally, HR leads the development and delivery of training programs aimed at educating employees on the importance of diversity, equity, and inclusion. HR also plays a key role in providing support to employees, ensuring that the workplace is free from discriminatory practices, and creating an environment where employees feel respected and valued.

### ◆ Employees

Employees at CHEMSOL are expected to fully comply with the Non-Discrimination Policy, treating all colleagues, contractors, and stakeholders with dignity and respect. They are encouraged to report any violations of the policy through the appropriate channels to ensure that discrimination, harassment, and any other unethical behavior are addressed swiftly. Employees are also expected to actively contribute to promoting a respectful and inclusive work environment by adhering to the values of diversity, equity, and inclusion in their daily interactions. Their participation and commitment are essential in fostering a positive workplace culture for everyone.

### ◆ Diversity, Equity, and Inclusion Committee

The Diversity, Equity, and Inclusion (DEI) Committee is responsible for overseeing the progress and effectiveness of the Non-Discrimination Policy at CHEMSOL. This committee regularly monitors the implementation of the policy, assesses its impact, and provides periodic reports to senior management regarding its effectiveness. The DEI Committee plays a key role in identifying areas of improvement and recommending adjustments to ensure the policy remains relevant and impactful. Additionally, the committee is responsible for promoting diversity, equity, and inclusion initiatives across the company, ensuring that these principles are deeply embedded into the corporate culture.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 104 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

## 6. Fair Treatment Policy

### 6.1 Non-Discrimination Practice Review

CHEMSOL is committed to continuously reviewing and improving its non-discrimination practices to ensure their effectiveness. We regularly conduct audits, employee feedback surveys, and policy reviews to assess the success of our initiatives and identify areas for improvement. These reviews help ensure that our workplace policies remain relevant, progressive, and aligned with evolving industry standards and legal requirements. By fostering a culture of continuous improvement, CHEMSOL ensures that its non-discrimination practices are not only up-to-date but also support a sustainable, inclusive, and diverse workforce where all employees can thrive and succeed.

### 6.2 Supplier Diversity Standards

CHEMSOL is committed to ensuring that all our suppliers and business partners adhere to the highest standards of non-discrimination, fairness, and equal opportunity. We will evaluate and monitor our supplier and partner relationships to ensure they operate in line with our values of inclusivity and fairness. Suppliers and partners must comply with our commitment to diversity, equity, and inclusion in their hiring, business practices, and interactions. CHEMSOL will prioritize working with suppliers and partners who share our dedication to creating a positive and inclusive impact across the supply chain, contributing to a broader culture of non-discrimination.

### 6.3 Discrimination Prevention Training

CHEMSOL is dedicated to ensuring a non-discriminatory hiring and promotion process based on merit, qualifications, and individual performance. All candidates, regardless of gender, race, age, disability, or any other characteristic, will be given equal consideration for employment opportunities. Our recruitment processes will be transparent and based on fair criteria, ensuring that selections are made in an unbiased and inclusive manner. Promotions within the company will also follow these principles, ensuring that career advancement is determined solely CHEMSOL is dedicated to ensuring its recruitment process remains free from any form of discrimination.

We adopt fair, objective, and transparent hiring practices, ensuring that all candidates are evaluated solely based on their qualifications, skills, and experience. We promote equal opportunities for all applicants, ensuring that job descriptions and recruitment advertisements are inclusive and encourage diverse applicants. Our recruitment process fosters a workforce that reflects the rich diversity of the communities we operate in. By eliminating biases, we ensure every candidate has an equal opportunity to succeed based on merit and potential, regardless of background.

### 6.4 Diversity and Inclusion Goals

CHEMSOL is committed to enhancing diversity and fostering an inclusive workplace culture. We set measurable diversity and inclusion targets to ensure a balanced and representative workforce that reflects the communities we serve.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 105 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

These targets guide our recruitment, retention, and career development efforts, aiming to attract diverse talent and provide equal opportunities for growth. Our focus on inclusion ensures that all employees feel valued and respected, regardless of their background. By prioritizing diversity, CHEMSOL promotes a collaborative and innovative environment where diverse perspectives contribute to the company's success and sustainability in the global market.

#### 6.5 Harassment Free Workplace

CHEMSOL enforces a strict zero-tolerance policy for all forms of workplace harassment, whether physical, psychological, or verbal. We are committed to maintaining a work environment free from any abusive behavior, where all employees feel safe and respected. Any reports of harassment or abuse will be thoroughly investigated, and appropriate disciplinary actions will be taken to address the issue promptly. The company will provide employees with resources and support to handle any incidents of harassment, and all complaints will be treated with the utmost seriousness and confidentiality. Our goal is to ensure that every employee can work without fear of harassment or abuse.

#### 6.6 Career Advancement Equality

CHEMSOL is committed to providing equal opportunities for career growth and advancement for all employees, irrespective of gender, age, ethnicity, or other personal characteristics. We evaluate employee performance based on their skills, contributions, and potential, ensuring that promotions and career progression are merit-based. Our performance review processes are transparent, unbiased, and focused on clearly defined criteria. Employees are encouraged to develop their skills and seize opportunities for advancement through training, mentorship, and leadership programs. By fostering an equitable environment, CHEMSOL ensures that every employee can achieve their full potential in their career journey.

#### 6.7 Leadership Diversity Initiative

CHEMSOL recognizes the importance of diversity in leadership and is committed to fostering a leadership team that reflects the diversity of our workforce. We believe that a diverse leadership team enhances decision-making and promotes inclusivity within the company. To achieve this, CHEMSOL will actively support the development of diverse talent for leadership roles, providing equal opportunities for all employees to grow and advance in their careers. We will implement mentorship, training, and development programs specifically designed to prepare employees from underrepresented groups for leadership positions, promoting a more inclusive organizational culture.

#### 6.8 Wage Equality Initiative

CHEMSOL is committed to ensuring equal pay for equal work, regardless of an individual's gender, race, age, or other personal characteristics. Compensation, including wages and benefits, will be determined based on the employee's role, experience, and performance, without bias. The company will conduct regular audits to assess wage equality across all employee demographics, addressing any disparities that may exist.



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|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 106 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

We are committed to transparency and fairness in our pay practices, ensuring that employees receive fair compensation for their contributions. CHEMSOL will take corrective action as necessary to eliminate any inequality in wages and benefits across the organization.

#### 6.9 Accountability Reporting Framework

CHEMSOL has established clear, transparent, and accessible reporting mechanisms for employees to report instances of discrimination or harassment. We guarantee confidentiality and protection from retaliation for any individual who reports concerns in good faith. The company is committed to investigating all complaints thoroughly and addressing them promptly. Corrective actions will be taken when necessary, ensuring accountability for any employees found violating the non-discrimination policy. These reporting channels are regularly communicated to all employees, ensuring they are aware of their rights and the steps they can take to report any instances of discrimination or harassment in the workplace.

#### 6.10 Harassment Prevention Policy

At CHEMSOL, we strive to maintain a workplace where harassment and hostile behavior are never tolerated. We have a zero-tolerance policy towards discrimination, harassment, and any behavior that undermines dignity and respect. All employees, regardless of their race, gender, sexual orientation, religion, or disability status, have the right to work in an environment free from hostility. Clear reporting mechanisms are in place to ensure that any instances of harassment are reported confidentially and addressed promptly. We are committed to taking immediate corrective action to prevent such behavior, ensuring a safe and respectful work environment for everyone.

#### 6.11 Empowering Vulnerable Communities

CHEMSOL is committed to supporting vulnerable and marginalized groups within our workforce, including women, migrant workers, individuals with disabilities, and other underrepresented communities. We provide equal access to resources, opportunities, and a fair work environment for all employees, ensuring that they are treated with respect and dignity. Special initiatives such as mentorship programs, tailored support networks, and inclusive workplace policies are designed to help these groups thrive and succeed. By empowering these employees, CHEMSOL aims to create a balanced workforce that reflects diverse perspectives and experiences, fostering inclusion and equal opportunity for all.

#### 6.12 Migrant Worker Protection

CHEMSOL is committed to fair treatment and equal opportunities for all workers, including migrant and low-skilled employees. We ensure that all workers, regardless of their nationality, employment status, or skill level, have access to training, career advancement opportunities, and workplace support.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 107 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

Migrant and low-skilled workers will not face any form of discrimination in terms of job assignments, compensation, or opportunities for career development. CHEMSOL will provide a supportive environment where all employees can thrive and contribute to the company's success, reinforcing our commitment to inclusivity and equality across all employee demographics.

## 7. ESG Objectives

| Sl. No | Sustainability Issue               | Objective   | Measure   | Target Value 2025         |
|--------|------------------------------------|---|---|---------------------------|
| 1      | Non-Discrimination Practice Review | Ensure continuous review and assessment of non-discrimination practices | % of practices reviewed   | ↑ 100% reviewed           |
| 2      | Supplier Diversity Standards       | Establish and enforce supplier diversity standards                      | % of suppliers meeting diversity standards                      | ↑ 100% compliance         |
| 3      | Discrimination Prevention Training | Provide ongoing training to prevent discrimination in the workplace     | % of employees trained in discrimination prevention             | ↑ 100% trained            |
| 4      | Diversity and Inclusion Goals      | Set measurable goals for diversity and inclusion in the workforce       | % of diversity and inclusion goals met                          | ↑ 85% goals met           |
| 5      | Harassment-Free Workplace          | Create and maintain a harassment-free workplace                         | % of employees reporting a harassment-free environment          | ↑ 90% harassment-free     |
| 6      | Career Advancement Equality        | Ensure equal career advancement opportunities for all employees         | % of employees receiving equal career advancement opportunities | ↑ 90% equal opportunities |
| 7      | Leadership Diversity Initiative    | Increase diversity in leadership positions                              | % of leadership positions held by diverse individuals           | ↑ 30% increase            |
| 8      | Wage Equality Initiative           | Ensure wage equality across all genders and ethnicities                 | % of employees with equal pay for equal work                    | ↑ 100% equal pay          |





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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 108 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

|    |                                    |  |  |                   |
|----|------------------------------------|--|--|-------------------|
| 9  | Accountability Reporting Framework | Develop a reporting framework for accountability in discrimination practices | % of reports submitted through framework       | ↑ 100% reporting  |
| 10 | Harassment Prevention Policy       | Implement and reinforce policies to prevent workplace harassment             | % of employees aware of harassment policies    | ↑ 100% awareness  |
| 11 | Empowering Vulnerable Communities  | Empower and provide opportunities for vulnerable communities                 | % of vulnerable communities supported          | ↑ 85% supported   |
| 12 | Migrant Worker Protection          | Ensure protection and fair treatment for migrant workers                     | % of migrant workers receiving equal treatment | ↑ 100% protection |

## 8. Reference to Various Applicable Standards, Laws, Acts

- Universal Declaration of Human Rights
- International Labour Organization's Fundamental Conventions
- OHSAS 18001 (Occupational Health and Safety Assessment Series)
- United Nations Global Compact (10 Principles)
- OECD Guidelines for Multinational Enterprises
- Global Reporting Initiative (GRI) Standards
- ISO 26000 (International Standard on Social Responsibility)

## 9. Distribution and Annual Review

The Non-Discrimination Policy will be distributed to all employees during the onboarding process to ensure they are aware of the company's commitment to maintaining a respectful and inclusive work environment. Additionally, the policy will be reviewed annually by the HR and DEI teams to ensure it remains relevant and effective. Any updates or amendments to the policy will be communicated to employees promptly. To enhance accessibility, the policy will be made available on the company's intranet for internal access and on the external website for public reference, ensuring transparency and accountability.

## 10. Disciplinary Action for Policy Violators

Employees found to have violated the Non-Discrimination Policy, including acts of discrimination, harassment, or abuse, will face disciplinary action in accordance with company protocols. The severity of the action will depend on the nature and seriousness of the violation. Possible consequences include verbal or written warnings, suspension, or termination, based on the circumstances and in line with the company's disciplinary procedures. The goal of these actions is to maintain a safe and respectful work environment, ensuring that all employees adhere to the principles of fairness, respect, and inclusion.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 109 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

## 11. Reporting Mechanism

CHEMSOL encourages employees to report any incidents of discrimination, harassment, or abuse through safe and confidential reporting channels. Employees can contact HR directly, utilize anonymous reporting systems, or access designated employee support channels to raise concerns. All reports will be taken seriously and investigated thoroughly, with an emphasis on confidentiality and protection from retaliation. The company ensures that employees are empowered to speak up without fear of adverse consequences. This reporting system is designed to foster a work environment where all employees feel safe and supported in raising concerns.

## 12. Conclusion

CHEMSOL is fully committed to fostering a diverse, equitable, and inclusive workplace where every employee feels safe, valued, and respected. This policy serves as the foundation for cultivating a positive and supportive organizational culture that embraces differences and promotes mutual respect. By ensuring equal opportunities and fair treatment for all, CHEMSOL actively works to eliminate discrimination, harassment, and bias in all forms. The company recognizes its legal, social, and ethical responsibilities and integrates these principles into its daily operations. Through this commitment, CHEMSOL aims to build a workplace that reflects its core values and supports the well-being of every individual.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 110 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

## RESPONSIBLE VENDOR POLICY

CHEMSOL/ESG/POLICY- 15

### 1. Purpose

This policy outlines CHEMSOL's commitment to environmentally responsible sourcing by ensuring that all suppliers and service providers implement sustainable environmental practices aligned with our ESG values. We strive to minimize environmental risks within our supply chain by promoting the efficient use of resources, reducing emissions and waste, and supporting biodiversity. CHEMSOL requires suppliers to comply with all applicable environmental laws and regulations and encourages the adoption of international environmental standards. Through regular assessments and collaboration, we aim to build a supply chain that contributes positively to environmental stewardship, supports regulatory compliance, and enhances our long-term brand integrity and ESG performance.

### 2. Scope of Application

#### ◆ Sustainable Partnerships

This policy applies to all suppliers, subcontractors, vendors, logistics partners, and third-party service providers engaged by CHEMSOL. All entities involved in the sourcing, supply, and delivery of goods and services are expected to align with our environmental standards and ensure compliance with sustainable practices in their operations.

#### ◆ Business Area

The policy is relevant to all business areas involving procurement, warehousing, transportation, and distribution activities within CHEMSOL's operations. It encompasses all stages of product sourcing, storage, logistics, and delivery, ensuring that environmental responsibility is integrated across the entire supply chain process, from initial procurement to final product distribution.

#### ◆ Geographical Area

This policy applies to all CHEMSOL operations within the Kingdom of Saudi Arabia (KSA) and extends to global supplier relationships. Regardless of location, CHEMSOL expects suppliers and third-party partners to comply with the same environmental standards and sustainability principles, ensuring a consistent approach to environmental responsibility across all regions.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 111 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

## 3. Governance

The policy is governed by CHEMSOL's ESG Committee, led by the Chief Sustainability Officer, in collaboration with the Procurement and Compliance departments. The Committee ensures effective implementation, regular review, and alignment of the policy with CHEMSOL's broader ESG strategy, ensuring continuous improvement and compliance with environmental standards throughout the supply chain.

## 4. Definition of Terms

### ◆ Environmental, Social, and Governance

ESG refers to the three central factors used to measure the sustainability and societal impact of a company. Environmental criteria examine how a company performs as a steward of nature, social criteria look at how it manages relationships with employees, suppliers, and communities, and governance focuses on a company's leadership, audits, and shareholder rights. CHEMSOL integrates ESG principles into its business operations to ensure long-term sustainability, promote ethical conduct, and align with global best practices for corporate responsibility.

### ◆ Greenhouse Gas

Greenhouse Gases (GHGs) are gases that trap heat in the Earth's atmosphere, contributing to climate change. These include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and fluorinated gases. CHEMSOL is committed to reducing its carbon footprint by monitoring and minimizing GHG emissions across all operations. By adopting energy-efficient technologies, sustainable practices, and working closely with suppliers to reduce emissions, CHEMSOL contributes to global efforts to mitigate climate change and improve environmental sustainability in line with international climate agreements.

### ◆ Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals

REACH is an EU regulation aimed at improving the protection of human health and the environment from the risks posed by chemicals. It requires companies to register chemicals produced or imported into the EU, ensuring their safety. CHEMSOL complies with REACH by ensuring that all chemicals used in its products and operations meet these rigorous safety standards. By adhering to REACH, CHEMSOL helps prevent harmful chemicals from entering the supply chain and ensures the protection of both workers and the environment.

### ◆ Supplier who demonstrates adherence to environmental standards,

A sustainable supplier is one that integrates environmental, social, and governance (ESG) principles into its operations and practices. This includes adhering to recognized environmental standards, reducing greenhouse gas (GHG) emissions, and ensuring compliance with local and international regulations. Sustainable suppliers prioritize responsible sourcing, waste reduction, and energy efficiency, contributing to a cleaner environment. CHEMSOL partners with suppliers that demonstrate these commitments, ensuring that the entire supply chain is aligned with sustainable and ethical business practices for long-term environmental stewardship.



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### ESG – POLICY MANUAL

Doc No:  
CHEMSOL/ESG/POLICY

Issue No: 03

Rev No:  
00

Initial Issue : 5<sup>th</sup> January, 2023  
First Annual Review : 4<sup>th</sup> January, 2024  
Second Annual Review : 4<sup>th</sup> January, 2025

Page No: 112 of  
136

## 5. Roles and Responsibilities

### ◆ Procurement Team

The Procurement Team ensures that all new suppliers meet CHEMSOL's ESG criteria during onboarding. They conduct regular audits to assess suppliers' compliance with environmental and sustainability standards, ensuring that sourcing decisions align with CHEMSOL's commitment to responsible business practices and environmental stewardship throughout the supply chain.

### ◆ Compliance Team

The Compliance Team is responsible for conducting environmental due diligence on suppliers and verifying the authenticity of sustainability-related documentation. They assess supplier practices to ensure compliance with applicable environmental regulations, standards, and CHEMSOL's internal policies, supporting the company's commitment to sustainable sourcing and minimizing environmental risks.

### ◆ Suppliers

Suppliers must comply with all applicable environmental laws and regulations, reporting key environmental metrics regularly. They are expected to demonstrate continuous improvement in their sustainability practices, including reducing environmental impact, enhancing resource efficiency, and aligning with CHEMSOL's ESG expectations. Compliance with these standards is essential for maintaining a business relationship.

### ◆ ESG Committee

The ESG Committee provides oversight for the policy's implementation, ensuring alignment with CHEMSOL's overall ESG strategy. They are responsible for reviewing key performance indicators (KPIs), monitoring progress, and making adjustments as necessary. The Committee ensures that all stakeholders remain accountable for achieving sustainability goals and continuously improving environmental performance.

## 6. Responsible Vendor Policy

### 6.1 Eco Paper Procurement

CHEMSOL is committed to minimizing the environmental impact of its office supplies by sourcing sustainable stationery and paper products. All paper-based products must be certified by recognized sustainable forestry standards such as FSC or PEFC. We also prioritize the use of recycled content and environmentally friendly inks and packaging. Suppliers are required to demonstrate compliance with sustainable sourcing criteria and provide documentation upon request. By selecting low-impact, responsibly sourced materials, CHEMSOL supports forest conservation, reduces waste, and aligns its procurement practices with global environmental stewardship principles.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 113 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

## 6.2 Transparent Sustainability Practices

CHEMSOL expects all suppliers to be transparent in reporting their environmental performance. This includes providing accurate, timely data on resource usage, emissions, waste generation, and overall adherence to environmental policies and regulations. Suppliers must share detailed sustainability reports that demonstrate their commitment to environmental stewardship, ensuring that CHEMSOL can assess their environmental impact and compliance with our ESG goals. Transparency fosters trust and accountability, and CHEMSOL uses these reports to monitor and support suppliers in improving their environmental practices. Suppliers failing to provide clear and comprehensive reports may risk being excluded from future business opportunities.

## 6.3 Sustainable Office Supplies

CHEMSOL incorporates sustainability criteria into the sourcing of all office furniture and equipment. We prioritize products made from recycled, upcycled, or sustainably sourced materials and require suppliers to follow ethical and environmentally sound manufacturing processes. Preference is given to vendors with third-party eco-label certifications and those offering repair or refurbishment services to extend product life. All procurement decisions consider the full lifecycle impact, including end-of-life disposal or reuse. Through this sustainable sourcing strategy, CHEMSOL reduces resource consumption, limits landfill waste, and supports a circular economy model within our operational footprint.

## 6.4 Waste Reduction Strategies

CHEMSOL mandates that all suppliers implement effective waste management practices to minimize environmental impact, particularly in handling hazardous and chemical waste. Suppliers must reduce landfill dependency by adopting recycling practices or ensuring the safe disposal of waste in compliance with local and international regulations. CHEMSOL encourages suppliers to implement waste reduction programs, waste-to-energy solutions, and circular economy models. We expect suppliers to establish processes for tracking waste generation, disposal methods, and waste diversion from landfills. Regular monitoring and reporting of waste management practices are necessary to ensure compliance with our sustainability standards and to minimize environmental risks.

## 6.5 Sustainable Supply Practices

CHEMSOL maintains transparent and consistent communication with its suppliers to reinforce expectations around sustainable procurement. Suppliers are required to adhere to CHEMSOL's Supplier Code of Conduct, which includes specific environmental performance standards. Regular communication—through meetings, updates, and training—is provided to help suppliers understand and implement best environmental practices. CHEMSOL supports suppliers in identifying opportunities for improvement and ensures that their operations, and those of their sub-suppliers, are aligned with sustainability objectives. This two-way communication fosters accountability, promotes capacity-building, and helps mitigate environmental risks across the supply chain.





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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 114 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

#### 6.6 Responsible Tech Procurement

CHEMSOL ensures that its data hosting and IT equipment procurement reflects sustainability priorities. We engage service providers with robust energy efficiency standards, green data centers, and a demonstrated use of renewable energy sources. All hardware must meet recognized environmental certifications (e.g., ENERGY STAR, EPEAT) and be sourced from manufacturers with strong take-back, recycling, or refurbishment programs. We assess lifecycle impacts during procurement and require vendors to minimize packaging and logistics emissions. This approach reduces our digital carbon footprint and ensures that our technological infrastructure supports CHEMSOL's ESG goals.

#### 6.7 Supplier Legal Breaches

CHEMSOL requires all suppliers to comply fully with applicable local and international environmental laws, including REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) and national environmental protection regulations. Suppliers must proactively ensure they meet all legal requirements, such as obtaining the necessary environmental permits, licenses, and certifications. Non-compliance with these regulations undermines our commitment to sustainable practices, and CHEMSOL expects suppliers to implement systems and processes that guarantee continuous compliance, avoiding any environmental harm and legal repercussions. We monitor suppliers regularly to ensure that all required legal obligations are being met.

#### 6.8 Sustainable Purchasing Practices

CHEMSOL embeds sustainability into all internal purchasing decisions, particularly for frequently used products like office supplies, furniture, and IT services. We prioritize vendors who demonstrate eco-consciousness and provide products certified by standards such as FSC or PEFC. For IT services and equipment, energy-efficient and environmentally responsible options are favored. This procurement approach not only supports responsible sourcing but also reduces our environmental footprint. Every purchasing decision is aligned with CHEMSOL's broader sustainability goals, ensuring that resource efficiency and lifecycle impacts are considered across all procurement activities, from supplier selection to product end-of-life management.

#### 6.9 Efficient Water Usage

CHEMSOL expects suppliers to optimize water usage in their operations, promoting efficient water conservation practices to minimize consumption. Suppliers should adopt technologies and strategies that reduce water usage, such as closed-loop systems or water recycling initiatives. All wastewater must be treated to meet the applicable discharge standards before release into the environment. CHEMSOL encourages suppliers to implement water-saving technologies, including rainwater harvesting and water-efficient equipment. We prioritize suppliers that demonstrate a commitment to zero-liquid-discharge practices, ensuring that water resources are used responsibly, wastewater is treated effectively, and overall environmental impacts are minimized.



## CHEMICAL SOLUTIONS TRADING COMPANY

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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 115 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

#### 6.10 Supplier Inclusion Framework

CHEMSOL actively supports inclusive sourcing practices to foster social equity while achieving environmental goals. We prioritize engaging with diverse suppliers, including local, women-owned, minority-owned, and small enterprises. Our procurement policies include selection criteria that recognize and promote diversity alongside sustainability and quality standards. CHEMSOL conducts outreach initiatives and supplier development programs to build the capabilities of underrepresented suppliers. By integrating inclusivity into procurement, we aim to build a resilient, equitable, and responsible supply chain that delivers long-term value and contributes to broader community development and ESG targets.

#### 6.11 Supplier Emissions Accountability

To mitigate climate change, CHEMSOL expects all suppliers to actively measure, report, and reduce their greenhouse gas (GHG) emissions across their operations, particularly in manufacturing processes. Suppliers should develop and implement clear GHG reduction strategies and strive to meet internationally recognized emissions reduction targets. Preference will be given to those suppliers who demonstrate a commitment to reducing their carbon footprint, using cleaner energy sources, and incorporating energy-efficient technologies. CHEMSOL works with suppliers to explore ways to minimize emissions, fostering a more sustainable supply chain that aligns with global climate goals and supports sustainable development.

#### 6.12 Supplier Environmental Practices

CHEMSOL actively engages suppliers to promote best practices in environmental sustainability. This includes providing training, guidance, and incentives to encourage suppliers to adopt more sustainable practices across their operations. We strive to create a network of responsible suppliers by working collaboratively on shared goals, from reducing emissions to improving resource efficiency. CHEMSOL fosters a culture of continuous improvement, where suppliers are supported in advancing their environmental practices. Suppliers that fail to engage in these initiatives or show a lack of commitment to sustainability may be at risk of losing future business opportunities with CHEMSOL.

#### 6.13 Hazardous Substance Management

Suppliers must fully comply with REACH and other relevant regulations concerning the use of restricted or hazardous substances. This includes disclosing Substances of Very High Concern (SVHCs) and substituting them with safer alternatives whenever possible. CHEMSOL expects transparency in the handling of chemicals, ensuring that all hazardous materials are appropriately managed, stored, and disposed of. Suppliers must provide documentation verifying that their materials comply with regulatory standards and that they are working towards safer, more sustainable chemical practices. CHEMSOL is committed to eliminating harmful substances from the supply chain to protect both people and the environment.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 116 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

#### 6.14 Supplier Audit Checklist

To ensure suppliers uphold sustainable practices, CHEMSOL implements a detailed sustainability checklist as part of the onboarding and auditing process. The checklist evaluates key areas including emissions reduction, waste and water management, energy efficiency, regulatory compliance, and environmental certifications. Completion of the checklist is mandatory and serves as an essential tool for identifying potential sustainability gaps. Based on the findings, CHEMSOL may initiate supplier development programs or request corrective actions. This systematic approach ensures our supply chain reflects our ESG values and allows us to measure, monitor, and improve environmental performance continuously.

#### 6.15 Environmental Branding Challenges

CHEMSOL maintains a zero-tolerance policy towards suppliers whose environmental negligence may negatively impact our brand reputation or public perception. Suppliers are expected to manage their environmental performance proactively, addressing and mitigating any incidents promptly. In the event of an environmental issue, suppliers must report the incident transparently, take corrective actions, and work to prevent future occurrences. If a supplier's poor environmental performance or failure to address environmental issues affects our reputation, it may result in a reassessment of the business relationship. CHEMSOL is committed to working only with responsible suppliers who align with our high environmental standards.

### 7. ESG Objectives

| Sl. No | Sustainability Issue                     | Objective  | Measure  | Target Value 2025              |
|--------|--|--|--|--------------------------------|
| 1      | Eco Paper Procurement                    | Ensure eco-friendly paper procurement                            | % of paper procured from sustainable sources   | ↑ 100% sustainable sourcing    |
| 2      | Transparent Sustainability Practices     | Promote transparency in sustainability practices among suppliers | % of suppliers reporting sustainability data   | ↑ 100% reporting               |
| 3      | Sustainable Office Supplies              | Procure sustainable office supplies                              | % of office supplies from sustainable sources  | ↑ 100% sustainable sourcing    |
| 4      | Waste Reduction Strategies               | Implement waste reduction strategies in procurement              | % of procurement from waste-reducing suppliers | ↑ 80% waste-reducing suppliers |
| 5      | Procurement Sustainable Supply Practices | Engage in sustainable supply chain procurement practices         | % of suppliers with sustainable practices      | ↑ 100% sustainable suppliers   |



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 117 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

|    |                                     |  |  |                                |
|----|-------------------------------------|--|--|--------------------------------|
| 6  | Responsible Tech Procurement        | Procure technology that meets sustainability criteria                    | % of tech suppliers with eco-certifications                            | ↑ 100% eco-certified suppliers |
| 7  | Supplier Legal Breaches             | Monitor and prevent supplier legal breaches regarding environmental laws | % of suppliers compliant with environmental regulations                | ↑ 100% compliance              |
| 8  | Sustainable Purchasing Practices    | Focus on sustainable purchasing across categories                        | % of procurement made through sustainable practices                    | ↑ 100% sustainable purchases   |
| 9  | Efficient Water Usage               | Ensure suppliers use efficient water usage practices                     | % of suppliers with water usage efficiency certifications              | ↑ 100% certified suppliers     |
| 10 | Supplier Inclusion Framework        | Include suppliers who meet environmental standards in procurement        | % of suppliers meeting inclusion criteria                              | ↑ 100% inclusion               |
| 11 | Supplier Emissions Accountability   | Hold suppliers accountable for emissions reduction                       | % reduction in emissions from suppliers                                | ↓ 20% reduction in emissions   |
| 12 | Supplier Environmental Practices    | Evaluate and ensure environmental practices of suppliers                 | % of suppliers meeting environmental standards                         | ↑ 100% compliance              |
| 13 | Hazardous Substance Management      | Ensure suppliers manage hazardous substances responsibly                 | % of suppliers compliant with hazardous substance management standards | ↑ 100% compliance              |
| 14 | Suppliers' Supplier Audit Checklist | Audit suppliers on environmental practices                               | % of suppliers audited for environmental compliance                    | ↑ 100% audited                 |
| 15 | Environmental Branding Challenges   | Address environmental branding issues in the supply chain                | % of suppliers adopting environmental branding best practices          | ↑ 100% adoption                |



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 118 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

## 8. Applicable Laws and Standards

- REACH (EU)
- Foreign Corrupt Practices Act (USA)
- United Nations Global Compact – 10 Principles
- ISO 14001: Environmental Management
- GRI Standards
- ISO 26000: Social Responsibility
- Saudi Vision 2030 – Environmental Pillar
- United Nations Convention Against Corruption (UNCAC)

## 9. Distribution and Annual Review

This policy will be distributed to all relevant stakeholders, including suppliers, subcontractors, and employees, ensuring that everyone in the supply chain is informed of CHEMSOL's commitment to sustainability and ESG practices. It will be made available on CHEMSOL's website for public access. An annual review of the policy will take place to ensure its continued alignment with changes in applicable laws, regulations, and internal ESG goals. The policy will be updated as needed, based on legal and regulatory updates, business performance, and evolving ESG objectives to maintain its relevance and effectiveness in promoting sustainable sourcing.

## 10. Disciplinary Action

Failure to comply with this policy may result in serious consequences for both suppliers and employees. Suppliers found in breach of the policy may face disqualification from future contracts, termination of existing agreements, or legal action as deemed appropriate. Internally, employees who fail to adhere to the policy will be subject to disciplinary action in accordance with CHEMSOL's established employee guidelines, which may include warnings, suspension, or termination. These measures are in place to uphold CHEMSOL's commitment to environmental responsibility, transparency, and ethical business conduct, ensuring accountability across all levels of the organization and its partners.

## 11. Reporting Mechanism

CHEMSOL encourages all suppliers, employees, and stakeholders to report any environmental risks, policy violations, or unethical conduct through our confidential ESG grievance redressal system. This system ensures anonymity and protection against retaliation, fostering an environment where issues can be raised openly. Reports can be made via our dedicated email address for ESG concerns. All reports will be taken seriously and investigated thoroughly to maintain transparency and uphold the company's commitment to ethical and sustainable practices. CHEMSOL ensures that any reported issue is addressed promptly, aligning with our responsibility to support sustainable and lawful operations across our supply chain.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 119 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

## 12. Conclusion

CHEMSOL is deeply committed to integrating sustainable practices throughout our entire supply chain, ensuring environmental responsibility in every aspect of our operations. We recognize that strong partnerships with suppliers who share these values are critical to achieving long-term business success, resilience, and a positive global impact. By working together to uphold ESG principles, we aim to build a supply chain that is not only efficient but also environmentally and socially responsible. Our commitment to sustainable sourcing will drive CHEMSOL's continued growth, reduce environmental impact, and support global efforts toward creating a more sustainable and ethical business ecosystem.





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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 120 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

## GIFT TRANSPARENCY POLICY

### CHEMSOL/ESG/POLICY- 16

## 1. Purpose

The purpose of this Gifts Policy is to establish clear and consistent guidelines for the giving, receiving, and reporting of gifts across all levels of CHEMSOL's operations. This policy reinforces our commitment to ethical business practices and helps prevent bribery, conflicts of interest, fraud, and money laundering. It ensures that all gift-related activities are conducted with integrity, transparency, and accountability. By adhering to this policy, CHEMSOL promotes a culture of responsible conduct and safeguards its reputation while ensuring full compliance with legal standards and ESG (Environmental, Social, and Governance) principles across all business interactions and stakeholder engagements.

## 2. Scope of Application

### ◆ Ethical Conduct

This policy applies to all individuals associated with CHEMSOL, including employees, officers, directors, agents, contractors, consultants, and third parties acting on the company's behalf. Regardless of employment status or contractual relationship, all individuals are expected to adhere to the guidelines outlined in this Gifts Policy. CHEMSOL requires that everyone acting in any capacity represents the organization with the highest standards of integrity, professionalism, and accountability. By encompassing a broad range of internal and external stakeholders, this policy ensures comprehensive coverage and consistent adherence to ethical business conduct across all levels of interaction and representation within and outside the organization.

### ◆ Business Area

The Gifts Policy applies across all CHEMSOL business areas, including the trading and distribution of special additives, pigments and dyes, food and feed ingredients, and raw materials for adhesives, plastics, rubber, paint and coatings. It also extends to sectors involving oil and gas, water treatment, construction and mining chemicals, electroplating chemicals, and construction equipment spare parts. Every operational segment, regardless of industry or product line, must comply with the rules set forth in this policy. By implementing this policy company-wide, CHEMSOL reinforces ethical standards and prevents conflicts of interest in all transactions and stakeholder relationships.

### ◆ Geographical Area

This policy is applicable across all geographical locations where CHEMSOL conducts business, including its headquarters in the Kingdom of Saudi Arabia (KSA) and any international offices, subsidiaries, or partner operations.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 121 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

Regardless of regional laws or cultural customs regarding gift-giving, the policy sets a consistent global standard for ethical behavior and compliance. All employees and third parties must observe these principles in every location to ensure transparency and integrity. By applying this policy internationally, CHEMSOL maintains its commitment to fair, ethical practices and upholds its ESG principles throughout its global footprint.

### 3. Governance

The Gifts Policy is governed by the Ethics and Compliance Committee (ECC), which holds overall responsibility for its implementation, enforcement, and periodic review. The ECC ensures that the policy aligns with CHEMSOL's core values and ethical standards, and addresses any breaches or inconsistencies effectively. The Compliance Officer plays a key role in operationalizing the policy by ensuring that all employees, contractors, and third parties are adequately informed and trained. Regular audits and compliance checks will be conducted to monitor adherence across all business areas. Feedback and policy updates will be managed to ensure continuous improvement and relevance.

### 4. Definition of Terms:

#### ◆ Gift

A gift refers to any item, service, or benefit provided to or received from a business partner, supplier, customer, or any third party, which may be perceived as a gesture of goodwill. Gifts may include tangible items such as cash, vouchers, merchandise, or intangible benefits such as hospitality, entertainment, travel, or event tickets. While the intent may be benign, gifts can unintentionally create obligations or perceptions of favoritism, which can compromise the integrity of business decisions. CHEMSOL's policy requires that all gifts be reported and approved as necessary to ensure transparency, avoid conflicts of interest, and maintain ethical standards.

#### ◆ Conflict of Interest

A conflict of interest occurs when an individual's personal, financial, or other interests interfere—or appear to interfere—with their responsibilities and decision-making in the best interests of CHEMSOL. This may involve relationships with suppliers, clients, or competitors, or personal financial interests that could bias professional judgment. Employees must avoid situations where their impartiality might be questioned and are required to disclose any potential conflicts promptly. By identifying and managing such situations early, CHEMSOL aims to uphold integrity, fairness, and trust in all business operations and maintain a culture of accountability and transparency across the organization.

#### ◆ Bribery

Bribery is the act of offering, promising, giving, accepting, or soliciting something of value with the intention of influencing the actions or decisions of an individual, organization, or public official for unethical or illegal advantage. This may involve money, gifts, favors, or services intended to gain preferential treatment or business opportunities.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 122 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

CHEMSOL maintains a zero-tolerance policy towards bribery in any form and strictly prohibits employees or associated parties from engaging in such conduct. All dealings must comply with applicable anti-bribery and anti-corruption laws and internal compliance standards to ensure ethical business practices and protect organizational integrity.

#### ◆ Fraud

Fraud involves intentional deception, manipulation, or misrepresentation for personal or financial gain, often at the expense of CHEMSOL or its stakeholders. Examples include falsifying records, misusing company resources, embezzlement, or submitting false expense claims. Fraud undermines trust, disrupts operations, and can lead to severe legal and financial consequences. CHEMSOL actively works to prevent, detect, and address fraud through internal controls, employee training, and thorough investigation procedures. All employees are responsible for maintaining honesty and are encouraged to report any suspected fraudulent activities through confidential reporting channels to help safeguard the company's ethical and financial integrity.

#### ◆ Money Laundering

Money laundering is the process of concealing the origins of illegally obtained funds by making them appear legitimate through a series of complex transactions or financial operations. This can include funneling money through legal businesses, offshore accounts, or shell companies. Such practices are often linked to criminal activities and pose serious legal and reputational risks. CHEMSOL enforces strict policies and due diligence procedures to detect and prevent money laundering activities, in compliance with applicable financial laws and anti-money laundering (AML) regulations. Employees are trained to identify red flags and must report suspicious transactions promptly to ensure compliance and corporate accountability.

## 5. Roles and Responsibilities

#### ◆ Employees

Employees at CHEMSOL are responsible for understanding and strictly adhering to the Gifts Policy. They must not offer, solicit, or accept any gifts, hospitality, or favors that could influence, or appear to influence, their professional judgment, objectivity, or integrity. Employees should immediately report any offered or received gift that exceeds the permitted value or creates a potential conflict of interest. They are expected to maintain transparency by documenting such instances and seeking guidance when in doubt. By upholding these standards, employees contribute to a culture of ethical behavior, transparency, and compliance within CHEMSOL's operational and business framework.

#### ◆ Managers/Supervisors

Managers and supervisors play a key role in reinforcing the Gifts Policy by ensuring that all team members are trained, informed, and supported in understanding and following the guidelines. They must address questions or concerns raised by employees regarding the appropriateness of gifts, and provide clear guidance in line with the policy. Managers should also monitor employee adherence and ensure proper documentation and reporting of gift-related matters.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 123 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

In case of policy breaches or unclear situations, managers are responsible for escalating issues to the Compliance Officer. Their leadership helps maintain a transparent, fair, and accountable workplace aligned with ethical standards.

#### ◆ Compliance Officer

The Compliance Officer is tasked with the effective implementation and continuous monitoring of CHEMSOL's Gifts Policy. Responsibilities include ensuring that all employees and relevant third parties receive adequate training on the policy's provisions and understand their obligations. The Compliance Officer must review and maintain a centralized register of all reported gifts, assess potential risks, and oversee investigations into any suspected violations. By evaluating compliance trends and recommending policy enhancements, the Compliance Officer ensures that CHEMSOL meets legal, ethical, and ESG commitments. The role is critical to embedding integrity and transparency into the organization's culture and business practices.

#### ◆ Ethics and Compliance Committee (ECC)

The Ethics and Compliance Committee (ECC) provides strategic oversight and governance for the implementation of CHEMSOL's Gifts Policy. The ECC is responsible for reviewing all significant reports concerning gift acceptance or giving, evaluating whether such instances pose legal, ethical, or reputational risks. The committee ensures that the policy is consistently applied across all departments and geographies and that it remains aligned with evolving laws and industry best practices. It may recommend disciplinary or corrective actions when necessary. The ECC also plays a vital role in ensuring that CHEMSOL maintains a high standard of business integrity and corporate accountability.\

## 6. Company Commitments

#### ◆ Prevention of Bribery and Corruption

CHEMSOL adopts a zero-tolerance approach to bribery and corruption by enforcing internal controls, conducting regular employee training, and implementing due diligence on partners and transactions. All staff are expected to act with integrity, and any suspected misconduct must be reported promptly to ensure transparency and compliance with applicable laws.

#### ◆ Avoidance of Conflict of Interest

CHEMSOL fosters a transparent culture by encouraging employees to openly disclose any personal interests that may interfere with business decisions. Potential conflicts must be reported to supervisors or the Compliance Officer. This proactive disclosure safeguards objectivity, reinforces ethical conduct, and ensures decision-making remains free of bias or undue influence.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 124 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

#### ◆ Fraud and Money Laundering Prevention

CHEMSOL combats fraud and money laundering through robust financial controls, supplier vetting, and vigilant transaction monitoring. Employees are trained to recognize red flags and follow reporting protocols. All dealings must adhere to regulatory requirements, ensuring the company's financial activities remain legal, transparent, and free from illicit manipulation or abuse.

#### ◆ ESG Integration

CHEMSOL's gift policy reflects its commitment to environmental, social, and governance (ESG) principles. Ethical gift practices are aligned with sustainable business values, human rights, and anti-corruption goals. By integrating ESG into policy implementation, CHEMSOL promotes responsible business conduct and strengthens stakeholder trust across all regions and operations.

## 7. Gift Transparency Policy

### 7.1 Ethical Influence Guidelines

CHEMSOL maintains a strict zero-tolerance stance against bribery and any form of improper influence. No gift, payment, favor, or hospitality may be offered, solicited, or accepted if it is intended—or could be perceived—to influence a business decision, obtain preferential treatment, or secure any improper advantage. This includes dealings with public officials, customers, suppliers, and business partners. Employees must exercise sound judgment and avoid actions that may compromise CHEMSOL's integrity or reputation. Any transaction that appears to be a bribe or inducement, regardless of its value or form, is strictly prohibited and subject to disciplinary action.

### 7.2 Acceptable Gifts

Gifts of nominal value that are customary and lawful in nature—such as branded stationery, calendars, or small promotional items—are acceptable if they are offered infrequently, transparently, and without the expectation of reciprocation. The total value of such gifts should not exceed SAR 200. Examples include corporate souvenirs or business-related tokens given during holidays or events. Acceptable gifts must not create any real or perceived obligation on the part of the recipient. Under no circumstances should cash or cash equivalents be accepted. Employees must ensure gifts do not interfere with professional responsibilities or compromise the integrity of business decisions.

### 7.3 Disclosure Requirement

All gifts or hospitality received or offered that exceed a value of SAR 200 must be reported in writing to CHEMSOL's Compliance Officer for review and approval. This ensures accountability, transparency, and adherence to ethical standards. A gift register will be maintained for audit and monitoring purposes. Employees are required to complete a disclosure form, detailing the gift's nature, source, estimated value, and business context. Approval must be obtained prior to acceptance where possible, or as soon as practicable thereafter. Non-disclosure of high-value gifts may lead to disciplinary consequences and may be treated as a breach of this policy.





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### ESG – POLICY MANUAL

|                               |              |               |  |                     |
|-------------------------------|--------------|---------------|--|---------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 125 of 136 |
|-------------------------------|--------------|---------------|--|---------------------|

#### 7.4 Conflict of Interest

Employees must remain impartial and act in the best interest of CHEMSOL at all times. Any gift or benefit that may create, or appear to create, a conflict between personal interests and professional duties must be avoided. A conflict of interest arises when the employee's objectivity in performing job responsibilities is compromised due to personal relationships, financial interests, or external influences. Employees are required to disclose such situations to their line manager or Compliance Officer immediately. All conflicts—whether real or perceived—must be documented, assessed, and managed appropriately to ensure business decisions are made fairly and ethically.

#### 7.5 Third-Party Gifts

CHEMSOL expects all third parties—including suppliers, distributors, consultants, and agents—acting on its behalf to fully comply with this Gifts Policy. These parties must not offer, request, or accept gifts or hospitality that could violate anti-bribery laws or ethical standards. Contractual agreements with third parties will include clauses mandating adherence to CHEMSOL's anti-corruption and ESG policies. Any third-party violation of gift protocols may result in the termination of business relationships and potential legal consequences. CHEMSOL is committed to conducting due diligence on third parties and reserves the right to audit or investigate any transaction deemed non-compliant.

#### 7.6 Facilitation Payments

CHEMSOL strictly prohibits facilitation payments in all forms. These are unofficial, small-value payments made to secure or expedite routine government actions, such as permits, licenses, or customs clearance. Although such payments may be common in certain jurisdictions, they are considered illegal and unethical under both Saudi and international anti-bribery laws. Employees must not offer or authorize any payment intended to speed up administrative processes or gain unfair advantages. If faced with a demand for facilitation, employees must report the incident immediately to the Compliance Officer. Violations will be treated as serious misconduct and may result in termination or prosecution.

### 8. ESG Objectives

| Sl. No | Sustainability Issue                          | Objective  | Measure                                      | Target Value 2025 |
|--------|---|--|--|-------------------|
| 1      | Prohibition of Bribery and Improper Influence | Enforce zero-tolerance policy on bribery and undue influence | Percentage employees trained on anti-bribery | ↑ 100% trained    |
| 2      | Acceptable Gifts                              | Define and communicate acceptable gift practices             | % of employees aware of gift policy          | ↑ 100% awareness  |
| 3      | Disclosure Requirement                        | Mandate disclosure of all received gifts and hospitality     | % of gifts disclosed                         | ↑ 100% disclosed  |





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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 126 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

|   |                       |   |  |                   |
|---|-----------------------|---|--|-------------------|
| 4 | Conflict of Interest  | Identify and mitigate conflicts of interest                   | % of declared conflicts addressed        | ↑ 100% resolution |
| 5 | Third-Party Gifts     | Ensure third parties adhere to gift and transparency policies | % of vendors/partners complying          | ↑ 100% compliance |
| 6 | Facilitation Payments | Prohibit facilitation or unofficial payments                  | Number of reported facilitation payments | ↓ 0 reports       |

## 9. Reference to Various Applicable Standards, Laws, and Acts:

- Saudi Anti-Bribery Laws
- International Anti-Corruption Laws (including OECD Anti-Bribery Convention)
- FCPA (Foreign Corrupt Practices Act)
- UK Bribery Act
- ISO 37001:2016 - Anti-bribery management systems
- United Nations Global Compact (UNGC) Principles on Business Ethics

## 10. Distribution and Annual Review

CHEMSOL ensures that this Gifts Policy is distributed to all employees, partners, and contractors during on boarding and reviewed with them annually to reinforce understanding and compliance. The policy will undergo a formal annual review by the Ethics and Compliance Committee to incorporate any changes in legal, regulatory, business, or ESG standards. Updates will be communicated promptly, and training will be provided if necessary. This review ensures the policy remains relevant, practical, and aligned with CHEMSOL's ethical commitments, thereby fostering a culture of integrity and accountability throughout all levels of the organization and across every business operation.

## 11. Disciplinary Action for Policy Violators

CHEMSOL enforces strict disciplinary measures against any individual found violating the Gifts Policy. Consequences may include verbal or written warnings, suspension, or termination of employment or contracts depending on the severity of the violation. In cases involving serious offenses such as bribery, fraud, or money laundering, legal actions may also be initiated in accordance with applicable laws. These measures ensure accountability and act as a deterrent against unethical behaviour. CHEMSOL is committed to maintaining the highest standards of conduct and will take all necessary actions to preserve its ethical business environment and protect its stakeholders' interests.

## 12. Reporting Mechanism

CHEMSOL encourages employees, suppliers, contractors, and all stakeholders to report any suspected violations of this Gifts Policy. Multiple reporting channels are available: an internal whistleblowing platform ensures confidentiality for employees; concerns can also be formally reported to the Compliance Officer; and an external anonymous helpline is available for stakeholders outside the organization.



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|                               |              |               |  |                        |
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|-------------------------------|--------------|---------------|--|------------------------|

All reports are taken seriously and investigated promptly and thoroughly. CHEMSOL guarantees protection against retaliation for whistleblowers and promotes a speak-up culture. Through these mechanisms, CHEMSOL ensures transparency, upholds integrity, and reinforces its commitment to ethical and responsible business conduct across all operations.

### 13. Conclusion

The CHEMSOL Gifts Policy serves as a vital component of our corporate ethics framework, reflecting our unwavering commitment to transparency, accountability, and responsible conduct. By setting clear expectations and guidelines, the policy helps prevent corruption, bribery, conflicts of interest, and unethical business practices. Adherence to this policy not only safeguards CHEMSOL's reputation but also contributes to building a sustainable, trustworthy environment for employees, partners, and stakeholders. We believe that ethical behaviour is fundamental to long-term success and value creation. Through continuous compliance and proactive engagement, CHEMSOL reinforces its leadership in ethical business practices and ESG responsibility.



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|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 128 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

## SUPPLIER ETHICS POLICY

CHEMSOL/ESG/POLICY- 17

### 1. Purpose

This policy outlines CHEMSOL's commitment to upholding responsible social practices across its global supply chain. We are dedicated to preventing human rights violations, eliminating forced and child labor, and ensuring fair wages, safe working conditions, and reasonable working hours. CHEMSOL promotes diversity, non-discrimination, equal opportunities, and ethical conduct among all suppliers. By integrating these social standards into our procurement decisions, we seek to build long-term partnerships based on transparency, accountability, and mutual respect. This policy reinforces our ESG values and aligns with international frameworks to ensure that our sourcing practices contribute positively to both society and sustainable business outcomes.

### 2. Scope of Application

#### ◆ Social Responsibility

This policy applies to all suppliers, subcontractors, agents, and business partners engaged with CHEMSOL. They are expected to uphold the company's social responsibility standards, including human rights, fair labor practices, and safe working conditions, as part of their contractual obligations when conducting business with CHEMSOL.

#### ◆ Business Area

The policy covers all trading and distribution activities carried out by CHEMSOL, including the supply of chemical additives, pigments, dyes, food and feed ingredients, industrial raw materials for adhesives, plastics, and rubber, as well as construction equipment spare parts and other industrial goods.

#### ◆ Geographical Area

This policy applies across all geographical regions where CHEMSOL operates or sources its products. It places particular emphasis on high-risk countries where social practices may be inadequate or unregulated, requiring heightened due diligence, monitoring, and supplier engagement to ensure responsible sourcing and compliance with international standards.

### 3. Governance

The ESG Committee, chaired by the Compliance & Sustainability Officer, is responsible for overseeing the implementation, enforcement, and periodic review of this policy.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 129 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

The Procurement and Supplier Management teams are tasked with integrating the policy into supplier evaluation, selection, and ongoing relationship management to ensure alignment with CHEMSOL's social responsibility standards.

## 4. Definition of Terms

### ◆ Social Practices

Refers to labor and human rights conditions within the supply chain, including fair working hours, adequate wages, safe and healthy work environments, equal opportunities, diversity, and non-discrimination. These practices are essential to ensuring ethical treatment of workers and maintaining CHEMSOL's responsible sourcing commitments.

### ◆ High-Risk Countries

Regions identified as having inadequate labor law enforcement, widespread human rights concerns, or systemic social risks. Sourcing from such areas requires enhanced due diligence and supplier scrutiny to mitigate risks related to forced labor, child labor, unsafe conditions, and discrimination within the supply chain.

### ◆ ESG

Environmental, Social, and Governance (ESG) standards represent a framework for responsible business conduct. ESG integrates ethical, sustainable, and socially responsible practices into business operations, guiding CHEMSOL's efforts to minimize environmental impact, promote social equity, and maintain transparent, accountable governance throughout the supply chain.

## 5. Roles and Responsibilities

### ◆ Suppliers

Suppliers are required to fully comply with CHEMSOL's Supplier Code of Conduct, which outlines expectations regarding labor rights, health and safety, fair wages, working hours, and non-discrimination. Suppliers must be willing to undergo social compliance audits, assessments, or on-site evaluations as deemed necessary by CHEMSOL. Any non-compliance identified must be promptly addressed through corrective action plans. Ongoing cooperation and transparency are essential to maintaining an active supplier relationship and ensuring alignment with CHEMSOL's social responsibility goals.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 130 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

#### ◆ Procurement Team

The Procurement Team is responsible for integrating social sustainability criteria into all stages of the supplier evaluation, selection, and contracting processes. This includes assessing prospective suppliers' labor practices, workplace safety, diversity policies, and human rights records alongside traditional metrics such as price, quality, and delivery reliability. The team ensures that social risk factors are identified early and that preferred suppliers meet CHEMSOL's ESG standards and contribute positively to the ethical integrity of the supply chain.

#### ◆ Compliance Team

The Compliance Team plays a central role in assessing supplier risk by conducting due diligence reviews and social compliance audits. They are tasked with identifying suppliers in high-risk regions and ensuring appropriate controls are in place. The team also manages capacity-building efforts by providing training on ESG, labor rights, and human rights issues to both internal staff and external partners to strengthen awareness and improve supplier performance on key social indicators.

#### ◆ ESG Committee

The ESG Committee oversees the overall governance of supplier social practices. This includes monitoring policy implementation, reviewing supplier performance metrics, addressing social grievances, and ensuring compliance with international standards and frameworks such as ISO 26000, the UN Global Compact, and OECD Guidelines. The committee conducts regular reviews of ESG progress, supports continuous improvement initiatives, and promotes ethical and sustainable practices across CHEMSOL's global operations and supply chain partnerships.

## 6. Supplier Ethics Policy

### 6.1 Sustainability Assessment Tool

To ensure responsible sourcing, CHEMSOL utilizes a robust sustainability checklist to evaluate the ESG performance of all suppliers. This checklist covers a wide range of topics including labor rights, diversity and inclusion, environmental management, health and safety, anti-corruption measures, and community impact. The checklist is integrated into supplier onboarding, routine audits, and annual performance reviews. Suppliers are required to provide relevant documentation and improvement plans where deficiencies are identified. Evaluation outcomes affect supplier ratings and procurement decisions, thereby encouraging ongoing compliance and driving higher ESG standards throughout the supply chain. This structured process ensures accountability and transparency in procurement.

### 6.2 Equal Opportunity Assurance

CHEMSOL is committed to fostering a non-discriminatory and inclusive workplace across its supply chain. Suppliers must not discriminate based on race, gender, ethnicity, age, religion, disability, sexual orientation, or political affiliation. Equal employment opportunity, fair treatment, and merit-based advancement are fundamental requirements.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 131 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

CHEMSOL expects suppliers to implement anti-discrimination policies, promote diversity, and ensure respectful behavior at the workplace. Any form of abuse, harassment, or unjust treatment will not be tolerated. Suppliers found in violation must initiate corrective actions and participate in training programs, reinforcing our collective commitment to fairness and equity.

#### 6.3 Equitable Supply Engagement

CHEMSOL actively promotes inclusive sourcing by engaging with underrepresented and diverse suppliers, including small businesses, women-owned enterprises, and local vendors. The procurement policy encourages fair access to bidding opportunities and ensures that inclusion goals are factored into supplier selection and evaluation. CHEMSOL also supports supplier capacity building through mentorship, training programs, and knowledge sharing, enabling smaller suppliers to meet ESG requirements. This inclusive approach enhances supply chain resilience, fosters innovation, and drives shared economic value. Regular tracking and reporting of diverse supplier engagement are conducted to measure progress and ensure alignment with CHEMSOL's broader ESG and DEI objectives.

#### 6.4 Unsafe Working Conditions

CHEMSOL mandates that suppliers provide a safe, hygienic, and hazard-free workplace for all employees. This includes implementing occupational health and safety (OHS) policies, conducting routine risk assessments, providing necessary PPE, and establishing emergency response procedures. Suppliers are expected to comply with local health and safety laws and international standards such as ISO 45001. CHEMSOL regularly monitors supplier sites through audits and encourages continuous improvement through training and best practice sharing. Suppliers failing to ensure worker safety will be subject to review, corrective actions, and, if required, suspension from our approved vendor list.

#### 6.5 Responsible Product Sourcing

CHEMSOL embeds sustainability into its internal procurement practices by prioritizing environmentally certified and responsibly sourced products, particularly for high-impact categories such as office supplies, furniture, and IT equipment. Paper and wood-based materials must be certified under sustainable forestry standards such as FSC or PEFC. Procurement staff are trained to evaluate vendors based on environmental certifications, lifecycle impact, recyclability, and compliance with CHEMSOL's ESG principles. These practices support reduced carbon footprint and resource conservation.

#### 6.6 Ethical Work Conditions

CHEMSOL insists that suppliers pay fair wages and respect legal working hour limits. All workers must receive at least the minimum wage mandated by law, with overtime paid at premium rates. Excessive working hours, forced overtime, or wage deductions as disciplinary measures are strictly prohibited. Suppliers must maintain transparent payroll systems and inform employees about wage structures and entitlements. CHEMSOL evaluates supplier performance on fair compensation and work-life balance as part of its supplier selection process. Repeated violations of wage or hour policies may result in contract suspension or permanent debarment.





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|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 132 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

#### 6.7 Integrity in Business

CHEMSOL enforces a zero-tolerance policy toward corruption, bribery, and unethical business conduct. Suppliers must comply with anti-corruption laws including the U.S. Foreign Corrupt Practices Act (FCPA), United Nations Convention Against Corruption (UNCAC), and relevant local laws. Practices such as offering or accepting bribes, kickbacks, or facilitation payments are strictly forbidden. Suppliers are expected to implement robust compliance programs, provide ethics training, and maintain accurate records. CHEMSOL performs due diligence and audits to ensure integrity throughout the supply chain. Non-compliance will result in disciplinary measures including suspension or termination of business ties.

#### 6.8 Sustainability Supplier Collaboration

CHEMSOL is dedicated to maintaining transparent, proactive communication with its suppliers on sustainable procurement expectations. All suppliers are required to comply with CHEMSOL's Supplier Code of Conduct, which details standards related to human rights, labor conditions, environmental responsibility, ethical business conduct, and workplace safety. The Code is shared at the onset of supplier engagement and revisited during periodic reviews. Additionally, CHEMSOL organizes regular supplier webinars, training sessions, and updates to reinforce ESG-related expectations. This two-way communication ensures that suppliers clearly understand their obligations and encourages continuous improvement in social and environmental performance across the supply chain.

#### 6.9 Fair Labor Representation

CHEMSOL supports the right of all workers to organize freely, form or join trade unions, and engage in collective bargaining without fear of retaliation or discrimination. Suppliers must respect and facilitate these rights in accordance with ILO Conventions 87 and 98. Interference with union activities, intimidation, or unfair dismissal of labor representatives is not permitted. CHEMSOL engages with suppliers to raise awareness and monitor practices through audits and employee interviews. Violations must be addressed with documented corrective action plans. CHEMSOL may discontinue relationships with suppliers failing to uphold these labor rights.

#### 6.10 Use of Forced or Child Labor

CHEMSOL strictly prohibits the use of forced, bonded, or child labor in any part of its supply chain. All suppliers must ensure that employment is freely chosen, and workers are not coerced or trafficked. Suppliers are required to verify the age of all workers and maintain documentation to prove compliance with minimum working age laws and ILO Conventions 138 and 182. CHEMSOL conducts regular supplier audits and collaborates with at-risk suppliers through capacity-building initiatives. Non-compliant suppliers must undertake immediate corrective actions or face potential termination of contracts to uphold human dignity and ethical labor practices.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 133 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

#### 6.11 Responsible Sourcing Capacity

CHEMSOL is committed to supporting suppliers in developing a strong foundation in social responsibility. Through workshops, webinars, and training sessions, CHEMSOL helps suppliers understand international labor standards, human rights obligations, and best practices in ethical sourcing. Suppliers are encouraged to establish their own ESG policies, grievance mechanisms, and monitoring systems. Progress is tracked via assessments and performance reviews. Suppliers demonstrating continuous improvement and proactive engagement are prioritized in sourcing decisions. CHEMSOL views supplier education as a cornerstone of a resilient and responsible supply chain.

#### 6.12 Labor Law Vigilance

CHEMSOL acknowledges the elevated social risks associated with sourcing from countries with weak labor protections. To mitigate these risks, CHEMSOL conducts enhanced due diligence including supplier background checks, third-party social audits, and compliance assessments based on global standards such as the UN Global Compact and ISO 26000. Additional scrutiny is applied to sourcing from regions known for human rights violations. CHEMSOL collaborates with local and international stakeholders to build supplier capacity and transparency. Any supplier unable or unwilling to meet required standards may be excluded from procurement consideration.

### 7. ESG Objectives

| Sl. No | Sustainability Issue           | Objective  | Measure  | Target Value 2025           |
|--------|--------------------------------|--|--|-----------------------------|
| 1      | Sustainability Assessment Tool | Implement tools to assess supplier sustainability practices                    | % of suppliers assessed using the tool                 | ↑ 100% assessment           |
| 2      | Equal Opportunity Assurance    | Ensure equal opportunity in supplier selection and engagement                  | % of suppliers adhering to equal opportunity standards | ↑ 100% adherence (+100%)    |
| 3      | Equitable Supply Engagement    | Ensure fair and equal treatment of all suppliers in engagement processes       | % of suppliers with equitable engagement terms         | ↑ 100% equitable engagement |
| 4      | Unsafe Working Conditions      | Identify and eliminate unsafe working conditions within the supply chain       | % of suppliers with no reported unsafe conditions      | ↓ 0% unsafe conditions      |
| 5      | Responsible Product Sourcing   | Source products responsibly with attention to environmental and social impacts | % of products sourced from responsible suppliers       | ↑ 100% responsible sourcing |



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|                               |              |               |  |                     |
|-------------------------------|--------------|---------------|--|---------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 134 of 136 |
|-------------------------------|--------------|---------------|--|---------------------|

|    |                                       |  |   |                            |
|----|---------------------------------------|--|---|----------------------------|
| 6  | Ethical Work Conditions               | Ensure ethical work conditions for all workers in the supply chain       | % of suppliers complying with ethical labor standards               | ↑ 100% compliance          |
| 7  | Integrity in Business                 | Uphold integrity in business practices with suppliers                    | % of suppliers adhering to integrity standards                      | ↑ 100% adherence           |
| 8  | Sustainability Supplier Collaboration | Collaborate with suppliers to promote sustainability                     | % of suppliers actively participating in sustainability initiatives | ↑ 100% participation       |
| 9  | Fair Labor Representation             | Ensure fair representation of labor and workforce                        | % of suppliers with fair labor representation                       | ↑ 100% fair representation |
| 10 | Use of Forced or Child Labor          | Eliminate forced or child labor from the supply chain                    | % of suppliers with zero tolerance for forced/child labor           | ↓ 0% forced/child labor    |
| 11 | Responsible Sourcing Capacity         | Build and enhance the capacity for responsible sourcing within suppliers | % of suppliers with enhanced sourcing capacity                      | ↑ 100% enhanced capacity   |
| 12 | Labor Law Vigilance                   | Ensure suppliers comply with all relevant labor laws                     | % of suppliers compliant with labor laws                            | ↑ 100% compliance          |

## 8. Reference to Applicable Standards

- Foreign Corrupt Practices Act (FCPA), 1977
- United Nations Global Compact (UNGC – 10 Principles)
- United Nations Convention Against Corruption (UNCAC)
- OECD Guidelines for Multinational Enterprises
- Global Reporting Initiative (GRI) Standards
- ISO 26000: Guidance on Social Responsibility
- Saudi Labor Law and Human Rights Regulations
- ILO Conventions

## 9. Distribution and Review

This policy shall be formally distributed to all CHEMSOL employees, stakeholders, and suppliers to ensure awareness, alignment, and accountability. It will be made available in relevant languages and incorporated into supplier onboarding and contractual documentation.



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### ESG – POLICY MANUAL

|                               |              |               |  |                        |
|-------------------------------|--------------|---------------|--|------------------------|
| Doc No:<br>CHEMSOL/ESG/POLICY | Issue No: 03 | Rev No:<br>00 | Initial Issue : 5 <sup>th</sup> January, 2023<br>First Annual Review : 4 <sup>th</sup> January, 2024<br>Second Annual Review : 4 <sup>th</sup> January, 2025 | Page No: 135 of<br>136 |
|-------------------------------|--------------|---------------|--|------------------------|

The policy will be reviewed annually by the ESG Committee, or earlier if necessitated by regulatory developments, emerging ESG risks, or changes in global human rights and labor standards. Updates will be communicated across the organization and supplier base to ensure ongoing relevance, continuous improvement, and alignment with best practices in ethical sourcing and social responsibility.

## 10. Disciplinary Action

Suppliers found to be in violation of CHEMSOL's Supplier Social Practices Policy will face proportionate consequences based on the severity and recurrence of the breach. Initial responses may include corrective action plans with defined timelines for remediation. If non-compliance persists or the violations are severe (e.g., involving forced or child labor), CHEMSOL reserves the right to temporarily suspend or permanently terminate the business relationship. Persistent non-compliance or refusal to improve will result in supplier disqualification. These disciplinary measures underscore CHEMSOL's zero-tolerance stance on unethical labor practices and its commitment to maintaining an ethical supply chain.

## 11. Reporting Mechanism

CHEMSOL maintains multiple confidential and secure channels for reporting violations of supplier social practices. Employees, suppliers, and third parties are encouraged to report suspected misconduct, human rights violations, or unethical labor practices via the ESG Grievance Mechanism, whistleblower hotline, dedicated email, or online reporting portal. On-site supplier assessments and employee interviews further support issue identification. Reports may be submitted anonymously, and all submissions will be treated with the highest level of confidentiality and integrity. CHEMSOL prohibits retaliation against individuals who report concerns in good faith, reinforcing a culture of openness, accountability, and ethical vigilance.

## 12. Conclusion

CHEMSOL affirms its commitment to ethical sourcing and socially responsible procurement practices that respect human rights and labor dignity. This policy supports our broader ESG strategy to embed transparency, equity, and accountability into our operations and partnerships. We believe that working with socially responsible suppliers is fundamental to long-term value creation, risk mitigation, and supply chain resilience. By setting clear expectations and standards, CHEMSOL strives to drive continuous improvement, strengthen supplier capabilities, and create a global supply chain built on mutual respect, fairness, and sustainability. Together, we advance a shared vision for responsible business conduct.

## Acknowledgement of Receipt for Policy

I hereby acknowledge that I have received a copy of the Policy. I understand that it is my responsibility to thoroughly read the contents of the Policy and adhere to the policies, rules, and regulations outlined therein.

By signing below, I confirm my commitment to comply with the principles and guidelines stated in the Policy.

**Signature**

: 

**Name**

: Muhammed Fazil

**Date**

: 4<sup>th</sup> January, 2025

