

Responsible Supply Chain

Salik seeks to foster a responsible and sustainable supply chain that is aligned with its broader ESG commitments and strategic objectives. The Company prioritises partnerships with local vendors, promoting local economic development.

The CEO, C-Suite, and concerned heads of departments oversee all procurement decisions, ensuring the integration of sustainability principles into supply chain management. The Board of Directors is involved in the process above a certain approved monetary threshold as per the Contracting and Procurement Policy.

The Supplier Code of Conduct is pivotal in Salik's commitment to ethical and responsible business practices. This Code outlines the behaviours and standards expected of suppliers, ensuring that Salik's supply chain partners uphold values such as integrity, transparency, sustainability, and compliance.

While UAE law prohibits freedom of association or collective bargaining, Salik encourages suppliers to maintain structured mechanisms for employee representation, such as grievance

channels, whistleblowing mechanisms, and open communication forums, to foster transparency, inclusivity, and fair workplace practices.

Although adherence to the Supplier Code of Conduct is strongly encouraged for suppliers, it is not yet mandatory. Issues within the supply-chain, including disputes, terminations, and other potential challenges, are addressed through policies approved by the Board of Directors. To mitigate potential negative social impacts in the supply chain, the Company developed a comprehensive Human Rights Due Diligence Procedure that addresses the relevant aspects. The Supplier Code of Conduct also contains conditions ensuring that our suppliers align with Salik's sustainability commitments including reducing greenhouse gas emissions, energy conservation, and resource efficiency.

In 2024, Salik developed a mechanism for supplier ESG screening, which will be implemented in 2025. This will be fully achieved by registering and prequalifying suppliers. All vendors will be subject to ESG screening requirements, with a preference for those demonstrating ambitious, long-term sustainability goals. Key criteria include:

- Compliance with labour and human rights standards
- Adherence to Salik's Supplier Code of Conduct
- Data privacy policy

Salik plans to increase the ESG screening coverage by 20% annually to achieve full coverage by 2028. The Company will also focus on elevating compliance with the Supplier Code of Conduct, aiming for 80% adherence by the end of 2025 and 100% compliance by 2027.

Salik is working to support local suppliers and SMEs by ensuring supplier evaluations include criteria relevant to their business type. These criteria will be incorporated into the Supplier ESG Programme, which is currently under development.