

**FIVE HOLDINGS**

*Development / Hospitality*

# RESPONSIBLE SOURCING

FIVE is committed to achieving the highest standards in conducting its operations ethically, efficiently and economically, while giving utmost consideration to health, safety, non-proliferation and environmental protection.

FIVE expects all its suppliers to act at highest ethical standards of personal and professional integrity through the 'Supplier Code of Conduct' as well as 'High Environmental Standards in Supply Chain Policy'. These documents intend to guide all FIVE tribe in adhering to safe working conditions, labour practice standards, fair and responsible sourcing of resources, helping both communities and the environment flourish.

We regard suppliers as a necessary and critical extension to its mission, operations, and future success as a huge portion of FIVE's environmental footprint is represented by the supply chain alone.

FIVE mandates Suppliers to demonstrate commitment and compliance with this Code of Conduct. Failure to comply with the expectations outlined in the Code of Conduct could result in termination of the assignment or contract.

- Sustainable Procurement Policy: Sustainable Procurement Policy aims at promoting fairness and equality in all procurement aspects which consists of guidelines, procurement strategies and procedure for procurement monitoring.

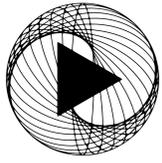
## **Sustainable Procurement Report.Pdf**

- High Environmental Standards in Supply Chain policy: The Policy on High Environmental Standards in Supply Chain consists of guidelines to ensure high environmental standards on the aspects of supplier selection, supplier code of conduct on sustainability, trainings and performance reporting.

## **High Environmental Standards In Supply Chain Policy.Pdf**

At FIVE, we understand the importance of environmental sustainability and are committed to promoting responsible business practices throughout our supply chain. As part of our efforts, we conduct on-site supplier audits to assess environmental risks and ensure compliance with our supplier code of conduct.

All of our suppliers are required to sign our code of conduct, which includes specific provisions related to environmental risks in the supply chain. In the event that non-compliances are observed during an audit, we provide the supplier with a detailed checklist outlining the areas where improvement is needed. Our goal is to work collaboratively with our suppliers to address any issues and ensure that they are in full compliance with our environmental standards.



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 **FIVE Supplier Code Of Conduct\_English.Pdf**

 **FIVE Supplier Code Of Conduct\_Arabic.Pdf**

 **FIVE Supplier Code Of Conduct\_German.Pdf**

 **FIVE Supplier Code Of Conduct\_Hindi.Pdf**

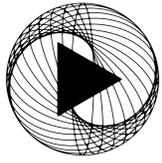
In addition to on-site audits, we frequently conduct environmental audits throughout our extended supply chain. This allows us to identify potential risks and work proactively with our suppliers to mitigate them. At FIVE, we believe that environmental sustainability is a shared responsibility and we are committed to doing our part to protect the planet for future generations.

## Risk Assessment

Risk assessment is done on all the suppliers considering the following attributes and accordingly suppliers are classified in A, B and C categories. Additional supplier selection will be subject to the discretion of the Purchasing Manager or the Risk and Compliance Director. Refer FIVE Supplier Risk Assessment Policy for more details.

Criteria	UOM	Category A	Category B	Category C
Volume of purchases	AED per year	> 1 million	>= 500000 to 1 million	<500000
% contribution to total purchases	Purchases/ Total Purchases	>10%	5% - 10%	< 5%
Type of supplier	Material/ Service Category	F&B, Engineering, IT	F&B, Engineering, IT, General	Others
Presence	Local/ Foreign	Foreign suppliers	Local suppliers	Local suppliers
Revenue	Revenue (AED millions)	> 50	20 - 50	< 20
Complaints	Number of complaints per year	>=2	1	0
Access to data	Access to FIVE data	Direct access	No access	No access

 **Supplier Risk Assessment Policy.Pdf**



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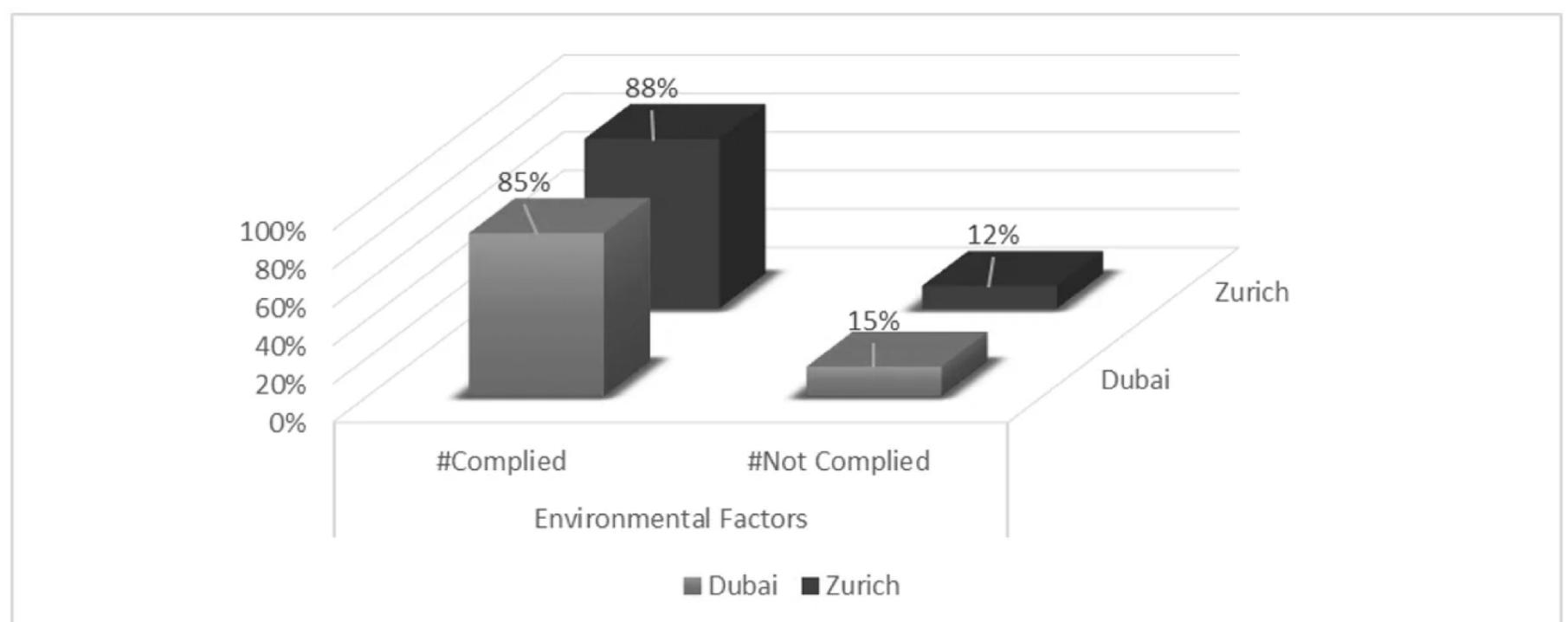
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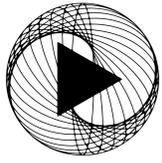
## Top Suppliers by Region

Region	Vendor Name	Vendor Category
Dubai	COASTAL COMMUNITIES DISTRIBUTION FZE	Beverage AIC
	AFRICAN & EASTERN (NE) LTD	Beverage AIC
	ISHWAR TILING WORKS LLC	Tiling and Contracting
	CHEF MIDDLE EAST LLC	Food
	MARITIME & MERCANTILE INTERNATIONAL LLC	Beverage AIC
	M.H ENTERPRISES LLC	Food
	SAWHNEY FOODSTUFF TRADING CO LLC	Food
	BARAKAT VEGETABLES & FRUITS COMPANY LLC	Food
	HORECA TRADE	Food
	STARGATE BUILDING SOLUTIONS LLC	Contracting and Man Power
Zurich	Astra Services GmbH	General purchases
	G.Bianchi AG	Food and Vegetables
	Koch Reinigungsservice GmbH	General purchases
	Marinello & Co AG	Food and Vegetables
	Huber Getrankehandlung AG	Food and Beverage

## OUTCOME OF ON-SITE AUDITS – COVERING ENVIRONMENTAL ASPECTS

The on-site audits were designed to assess the vendors' compliance with environmental and sustainable factors, providing valuable insights into their current practices and identifying areas for improvement. The audits covered several key areas, including waste management, energy efficiency, water conservation, and sustainable sourcing. The findings of the audits revealed both compliance and non-compliance among the vendors, highlighting the need for targeted improvements and corrective actions. The results of these audits will serve as an instrumental tool for FIVE in promoting sustainability and environmental responsibility in the vendor sector, allowing them to foster more sustainable practices and contribute to a more sustainable future.





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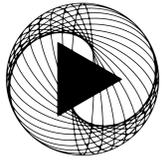
The on-site audits conducted across various business sectors have yielded insightful findings regarding compliance and non-compliance in critical areas of environmental and sustainability practices. The audits were designed to assess waste management, energy efficiency, water conservation, and sustainable sourcing, among other factors. The compliance findings indicate that several businesses have demonstrated a commitment to implementing sustainable practices and minimizing their environmental impact. However, the non-compliance findings have highlighted areas that require attention and improvement. The results of the audits have allowed businesses to identify potential environmental and sustainability risks and take corrective actions.

Business Sector	Environmental Factors	
	#Complied	#Not Complied
F&B	86.5%	13.5%
IT	41.2%	58.8%
Construction	82.4%	17.6%
O&M	82.4%	17.6%
Housekeeping	67.6%	32.4%
General Trading	85.9%	14.1%
Manufacturing	100.0%	0.0%
Engineering	88.2%	11.8%
Waste Management	94.1%	5.9%

The audits consisted of a comprehensive 50-question checklist, and major non-compliances were observed in below points

1. The employment of recruitment agencies/brokers without appropriate due diligence,
2. The absence of child-care/creche facilities for workers
3. The lack of documentation regarding sustainable materials procurement.

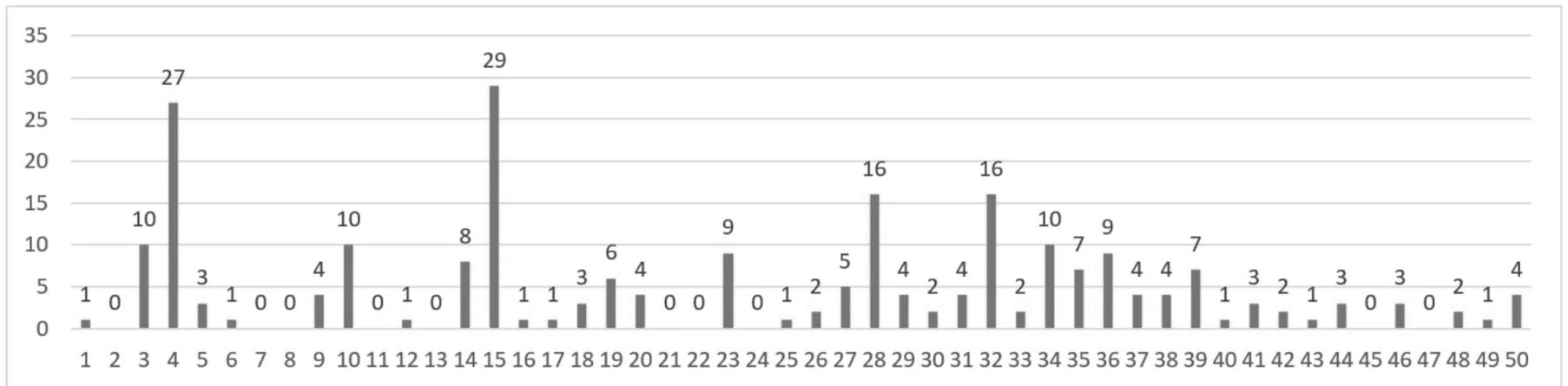
Additionally, few of the vendors were found to have no environmental/energy management system or policy in place to monitor and assess resource efficiency, nor any relevant certifications. These findings reveal the need for vendors to prioritize compliance in these areas to ensure the highest ethical and social standards are upheld



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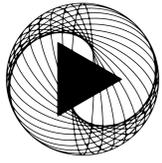
At FIVE, we take compliance seriously and hold our suppliers to the same high standards. As part of our supplier audit procedure, we review and analyze each supplier's audit checklist responses and evidence provided. In cases where non-compliance is identified, we issue a non-compliance communication to the supplier. The nature of the communication depends on the severity of the non-compliance.

For suppliers who have fulfilled all high-importance compliances, we provide a summary of recommended areas for improvement based on compliances that are recommended but not deemed critical. However, if a supplier fails to provide critical compliances in its checklist evaluation, we provide a two week window for the supplier to correct its non-conformity and to provide evidence. We also convey the recommended improvements to help the supplier meet our compliance standards.

By enforcing our supplier audit procedure, we ensure that all suppliers meet our high standards for compliance and quality, and we maintain the integrity of our supply chain.

## EXTENDED SUPPLY CHAIN

At FIVE hotels, we recognize the importance of ensuring compliance with our supplier standards on labor rights and working conditions throughout our extended supply chain. To achieve this, we have implemented several measures that allow us to monitor and assess the performance of our key vendors and their suppliers. We conduct on-site audits not only for our key vendors but also for their suppliers within the extended supply chain. Our audit checklist is designed to ensure that the code of business ethics is adhered to throughout the extended supply chain. We also consider the production volume and purchase order value awarded to our key vendors when conducting audits. Additionally, we collect evidence of third-party audit reports or conduct our audits through on-site visits. By implementing these measures, we aim to promote social responsibility and ethical business practices throughout our extended supply chain, thereby ensuring compliance with our supplier standards on labor rights and working conditions.



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FIVE Vendor	Extended Vendor	Vendor Category
ISHWAR TILING WORKS LLC	Rak Ceramics	Tiling and Contracting
BARAKAT VEGETABLES & FRUITS COMPANY LLC	Veggiotech	Food
STARGATE BUILDING SOLUTIONS LLC	Taski	Contracting and Man Power
CLASSIC FINE FOODSTUFF TRADING LLC	Rhug Estate	Food
MIRAK ROYAL NATURE FRUIT AND VEGETABLES L.L.C	Silal	Food
INDOGUNA DUBAI LLC	mayura Station	Food
NOBLE PRINTING PRESS LLC	printing factory	Printing
INTROS MIDDLE EAST GENERAL TRADING L.L.C	Rituals	Wet amenities ( <u>Rituals</u> )
ALPHAMED GENERAL TRADING	Lavaza	Food (coffee)
PULSAR FOODSTUFF TRADING	Nestle	Minibar Food
KONE MIDDLE EAST LLC	Kone	Lift
CASAMIA BUILDING MATERIAL TRADING LLC	Casamia	Engineering materials
SALTO ACCESS CONTROL SYSTEMS TRADING LLC	Salto	Acess System Rooms & Security
ATOZ WORLD HOSPITALITY SUPPLIES LLC	Libby	F&B General
AL AHRAR HOTEL SUPPLIES LLC	Bona	F&B General

In addition to the measures mentioned earlier, above table displays the details of the business awarded to our key suppliers and the list of their vendors part of extended supply chain. It provides us with a comprehensive overview of the production volume and purchase order value awarded to each supplier, as well as the list of their vendors. By analyzing this data, we can assess the level of influence our key suppliers have on their vendors, and ensure that they are aligned with our supplier standards on labor rights and working conditions.

## On-Site Visit To Veggiotech & Themar Al Emarat Who Supply Food To Barakat (FIVE Vendor)



On-site visit to Veggiotech & Themar Al Emarat who supply food to Barakat (FIVE Vendor)

