



# **CORPORATE FRAUD PREVENTION POLICY**





**Policy Approval**

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



## Table of contents

Policy Statement.....	4
Scope .....	4
Bribery and Corruption.....	4
Introduction.....	4
Policy and Procedures.....	4
Prohibited Conduct.....	4
Fraud and corruption-related practices include: .....	5
Reports assigned to the department responsible for combating fraud in the Al-Andalus property Company were prepared by: ...	5
Governance Structure for Fraud Prevention and Assignment of Roles and Responsibilities to Relevant Parties .....	5
Fraud Classifications:.....	6
Training and Awareness .....	7
Contracts and Agreements.....	7
Monitoring and Reporting:.....	7
Internal Controls.....	7
Final provisions.....	7



## **Policy Statement**

The Al-Andalus property Company adopts a zero-tolerance policy towards bribery and corruption, committed to conducting its business with integrity and transparency. The Al-Andalus property Company is committed to complying with all applicable anti-bribery and anti-corruption laws and regulations.

## **Scope**

This policy applies to all employees and stakeholders of Al-Andalus property Al-Andalus property Company, including suppliers, customers, and partners.

## **Bribery and Corruption**

Bribery and corruption include giving or receiving anything of value in exchange for preferential treatment, influence, or services. This includes, but is not limited to, cash, gifts, entertainment, payments, services, or any other benefits.

## **Introduction**

At Al-Andalus property Al-Andalus property Company, we are committed to local and national regulations and laws in the fight against bribery and corruption. The implementation of effective anti-corruption and anti-bribery policies and procedures will help us exercise due care over business partners, provide regular training and awareness for employees in maintaining our reputation for integrity, and demonstrate our commitment to responsible business practices. This policy is widely communicated to all employees, contractors, and external suppliers and is readily accessible.

This policy is in line with our own Code of Conduct, which encompasses both internal and external stakeholders, ensuring that all our primary and ancillary business activities are conducted in a compliant manner.

## **Policy and Procedures**

### **Prohibited Conduct**

We strictly prohibit any form of bribery or corruption in our business activities, both at the local and international levels. This includes:

- Unlawful Payments: Giving or receiving money or other benefits in exchange for preferential treatment or influence over a decision.
- Facilitation Payments: Payments made to government officials to secure or expedite routine government procedures.
- Payments made under duress and extortion.
- Commissions: Unlawful payments made to gain an advantage in a business transaction.
- Conflict of Interest: Situations where an individual or Al-Andalus property Company has a financial interest in making a decision and uses their influence to impact the outcome.

Money Laundering: The process of disguising the proceeds of unlawful activities as legitimate funds.



- Extortion: Demanding payment or obtaining other benefits in exchange for not causing harm or taking actions against a Al-Andalus property Company or individual.
- Insider Trading: Trading securities based on non-public material information.

#### **Fraud and corruption-related practices include:**

- Embezzlement of funds, tools, equipment, and assets, regardless of their value or type.
- Improper use of resources, including misuse of assets, professional services, or resources for personal purposes.
- Forging or altering paper and electronic documents, including but not limited to invoices, job applications, checks, identification documents, or signatures and seals, to gain direct or indirect benefits for oneself or others.
- Accepting bribes or secret commissions from any payer, including, for example, offering benefits or interfering with the performance of any job duties in any form.
- Deliberate negligence in dealing with or reporting on financial or operational non-compliance.
- Misuse of authority to obtain internal information for personal purposes.
- Disclosure of confidential and private information to any party, whether internal or external.
- Destruction, removal, or inappropriate use of records, furniture, fixtures, equipment, and assets.
- Abuse of power and exploitation of influence to obtain direct or indirect benefits for oneself or others.
- Exploiting system vulnerabilities to obtain direct or indirect benefits for oneself or others.

#### **Reports assigned to the department responsible for combating fraud in the Al-Andalus property Company were prepared by:**

- A summary of cases reported through whistleblowing channels.
- Completed investigations and cases still under investigation.
- The extent of cooperation between departments in examining and applying supervisory controls to reduce the risks of fraud.
- The extent of application of control tools related to fraudulent scenarios.

#### **Governance Structure for Fraud Prevention and Assignment of Roles and Responsibilities to Relevant Parties.**

##### **1. Executive Management and Board of Directors:**

- Determined policies and strategies for fraud and corruption prevention.
- Allocating necessary resources for implementing these policies.
- Ensuring the inclusion of fraud prevention in the organization's goals and strategy.

##### **2. Employees and Staff:**

- Collaborating with the anti-corruption and fraud officer and reporting any suspicious activities.
- Complying with policies and procedures related to anti-corruption and fraud prevention.
- Adhering to integrity and ethical behavior standards.

### 3. Internal Audit Department:

- Conducting periodic audits to assess the effectiveness of fraud prevention measures.
- Providing recommendations to enhance processes and strengthen internal controls.

### 4. Compliance and Legal Department:

- Managing legal matters related to fraud and corruption prevention.
- Providing guidance on compliance with relevant laws and regulations.

### 5. Whistleblowing System:

- Offering a secure and confidential means for employees to report potential cases of corruption or fraud.

### 6. External Stakeholders (Regulatory Bodies, Business Partners, Customers):

- Collaborating with the organization in implementing fraud and corruption prevention policies.
- Reporting any suspicious or fraudulent activities.

## Fraud Classifications:

### 1. Corruption:

- **Bribery:** The term "bribery" applies to any request made by any person for themselves or on behalf of others or accepted or promised. It involves using real or alleged influence to obtain from any public authority an order, decision, action, commitment, license, job, supply agreement, service, or any type of advantage. <sup>1</sup>
- **Conflict of Interest and Extortion:** Exploiting one's job position or authority to gain personal benefits or manipulate others through threats or extortion.
- **Unlawful Gifts Acceptance:** Includes exceeding authority or violating laws and regulations by accepting gifts.

### 2. Financial Statement Fraud:

- **Financial Statement Manipulation:** Altering numbers or inflating assets or understating liabilities to improve the Al-Andalus property Company's financial image.
- **False Disclosure:** Providing false or misleading information in financial reports.

### 3. Abuse of Power:

- **Organizational Fraud:** Using authority to achieve unethical goals within the Al-Andalus property Company.
- **Exploitation of Institutional Resources:** Using resources, assets, and information in unauthorized ways.



• **Unfair Dealings with Suppliers and Customers:** Manipulating procurement and sales operations for personal or institutional gain.

**Compliance with Laws and Regulations:** All employees and business partners in Al-Andalus property Al-Andalus property Company must comply with all applicable laws related to bribery and corruption, the Saudi Integrity Regulations, and the Anti-Bribery and Anti-Corruption Law in Saudi Arabia. Any violation of these laws may result in criminal penalties and civil liability.

We will perform a due diligence check on all external agents and business partners to assess their compliance with the Al-Andalus property Company's anti-bribery and corruption policy and related laws and regulations. Due diligence will be comprehensive and should include reputation checks of the third party, financial stability, track record, as well as any individuals associated with the third-party supplier.

**Training and Awareness:** We are committed to ensuring that all employees and business partners understand and adhere to our anti-bribery and anti-corruption policies. We will provide training and awareness programs on the risks and consequences of bribery and corruption and ensure that all employees and business partners receive a copy of this policy.

**Contracts and Agreements:** We take into account anti-bribery and anti-corruption laws and regulations in all contracts and agreements with vendors, agents, and external partners. We ensure that the service provider, agent, or external partner complies with all the anti-bribery and anti-corruption laws and regulations applicable in the Kingdom of Saudi Arabia or by the National Anti-Corruption Commission (Nazaha), as well as the Al-Andalus property Company's anti-bribery and anti-corruption policy.

**Monitoring and Reporting:** Any employee who suspects or witnesses' bribery or corruption must immediately report it to their supervisor, the Human Resources department, or the appointed anti-bribery and anti-corruption officer. We will promptly investigate all allegations of corruption and take appropriate disciplinary and legal actions, including termination of employment, recovery of funds, and reporting to the relevant authorities.

The Al-Andalus property Company will communicate its anti-bribery and anti-corruption policies and procedures to all employees and partners and ensure broad accessibility to the policy and procedures. The Al-Andalus property Company will also regularly inform all relevant parties of updates and changes to the policy and procedures.

**Internal Controls:** We will implement internal controls and procedures to detect and prevent bribery and corruption. These controls and procedures may include regular audits, reviews of expense reports and procurement processes, and monitoring industry developments and trends.

### **Final provisions**

- 1- This policy will enter into force as of the date of its approval by the Board of Directors.
2. This policy is reviewed periodically - when needed - or when changes are introduced in the policies of higher applications or legislative requirements, or after any important event that may require a change in this policy, and any proposed amendments from the Human Resource Management presented to the Governance Department, which studies and reviews the proposed amendments and recommends them. To the CEO for approval.
3. The Human Resources Department works to share with other departments any amendments or proposals to this policy and seek their views and comments in order to achieve the goal behind it.