



## MODERN SLAVERY STATEMENT

### OVERVIEW

One of the serious global issues we are facing today is modern slavery. Modern slavery and human trafficking are issues which both government leaders and business leaders must stand against. Human trafficking, sexual abuse, child labor, forced labor, domestic servitude and many others are just some of the examples of modern slavery. One way to stand against this practice is to audit our own hiring practices as well as that of our subcontractors where possible.

Khudairi Group treats all people with dignity and respect. KG is committed to end modern slavery in all forms and to respect every individual regardless of their nationality, gender, age, status in life, religion, disability, family background and other protected status. We truly believe and stand for our corporate values and apply it every single day to our employees, co-workers, clients, shareholders, business partners and owners. We are committed to support advocacies focusing in protecting and championing human rights.

This statement is made voluntarily by the Khudairi Group to promote greater transparency across our operations and our supply chains, and to describe the steps taken by Khudairi Group and all its business units to seek and ensure that modern slavery and human trafficking are not occurring in any of our businesses.

### ABOUT KHUDAIRI GROUP

The Khudairi family has thrived for over three hundred years as one of the most prominent trading families in Iraq, and presided over an array of different commercial endeavors. Early in the 20th century, the family became the first dealer in Iraq for General Motors and Volvo. In 1963, Subhi Khudairi, Sr., established the al Nadir Trading Company, which grew into a household name as one of the largest food and drink distributors in Iraq. The Khudairi family has owned and operated a variety of other companies, including the prominent al Nasr Paint Company.

The Khudairi Group as it is known today began operations in 2004 under the leadership of Aziz Subhi Khudairi, with the intent to play a part in the rebuilding of Iraq. Headquartered in Houston, TX, the group provided procurement, construction, and other services to the US government and government subcontractor clients in Iraq, as well as the Iraqi government.

In 2009, Khudairi Group shifted its focus to supporting Iraq's growing oil sector, serving Iraqi government oil sector clients as well as the international oil and oil services companies re-entering Iraq.

In 2012, the group opened an office in Dubai to better support its Iraq operations.

In 2013, Khudairi Group added an in-house engineering team in furtherance of its growing pipeline of EPC work. Today, the Khudairi Group employs over 250 full-time employees across its offices in Houston, Dubai, Erbil, Basra, Baghdad, Sulaymaniyah, and Amman, and continues to grow as a leading provider of services to the oil and gas and construction industries in Iraq.

Khudairi Group is also part of the Bali Process Government and Business Forum network, of which Mohammed Khudairi is the appointed Iraqi leader, and is a strategic platform for collaboration in the regional to combat these crimes.

## **OUR POLICIES**

Khudairi Group is using existing policies complying with the Modern Slavery Act such as the following:

### **ETHICS POLICY**

Khudairi Group's Ethics policy has been developed to ensure that the Company's business is conducted in adherence with high ethical and legal principles and sets standards of professionalism and integrity for all employees and operations worldwide. The Policy also includes "**whistle blowing**" facilities whereby employees may report, in confidence, suspected wrong doings.

It is our policy to respect the human rights of all employees, including:

- A prohibition on using forced or child labor; and
- Appropriate restrictions on the access and use of personal employees information to respect rights of privacy

### **SEXUAL HARRASMENT POLICY**

Khudairi Group will not tolerate sexual harassment in any form. Sexual harassment consists of unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature.

### **EQUAL EMPLOYMENT OPPORTUNITY**

It is the policy of the Company to provide equal opportunity for all qualified persons and not to discriminate against any employee or applicant for employment because of race, color, religion, sex, age, national origin, veteran status, genetic information, disability, or any other protected status.

### **TRAFFICKING IN PERSONS or TIP COMPLIANCE POLICY**

An Awareness Program to inform all Subcontractor employees about the U.S. Government's policy prohibiting trafficking related activities, the activities prohibited, and the actions that will be taken against employees for violations.

We at Khudairi Group will ensure that there's no modern slavery in any part of our businesses. We will treat this matter very seriously and if for example a KG employee breaches the policy, disciplinary action will apply.

## **TRAINING**

We already provided existing trainings to relevant KG employees such as the following:

- New Employee Induction (Policies and code of conduct are part of the training)
- Compliance to FCPA or Foreign Corrupt Practices Act ( Fraud, Bribery and Corruption)
- Occupational Health and Safety Assessment Specification (KG is OHSAS 18001 certified)

KG aims to begin comprehensive training program incorporating Modern Slavery in all forms from 2018. In the future, we will be extending this training to key and higher risk suppliers as well.

## **DUE DILIGENCE PROCEDURE**

Assessing risk is a fundamental part of a successful business practice. Based on The UN Guiding Principles on Business and Human Rights (UNGPs), companies should have in place *“a human rights due diligence process to identify, prevent, mitigate and account for how a company addresses their impacts on human rights”*.

KG management and employees are also responsible and expected to comply with all related policies and code of conduct at all times.

KG is committed to always work with suppliers in professional way and prohibit all forms of modern slavery. Reliability and trust are very important to us.

This statement has been approved by the Board of Directors of Khudairi Group, May 2018.

A handwritten signature in black ink, appearing to read 'M. Khudairi', is positioned above the name and title of the signatory.

**MOHAMMED KHUDAIRI**

Managing Partner, Khudairi Group