**Code of Conduct**

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# PART 1: INTRODUCTION

It is important that we all understand our obligation to conduct business in a way that is both ethical and consistent with our corporate policies.

The core values and business principles of Panda Retail Company are contained in our HR Policy Manual, and are reinforced by this Code of Conduct.

Panda Retail Company expects and requires every Panda employee to act in accordance with applicable law and consistent with our core values and business principles. We also expect our suppliers, vendors, contractors and consultants, agents and other representatives to meet these standards. Violations of this Code will lead to disciplinary action for employees, up to and including dismissal, and may result in termination of our relationship with third parties.

These standards apply to how we:

* treat one another in the workplace;
* manage our business responsibilities;
* engage with competitors;
* interact with authorities; and
* protect Panda’s confidential information.

This Code of Conduct is provided as a resource to help guide us through our duties as Panda employees.

# The Code Acknowledgement Process

Panda employees and Board of Directors are required to acknowledge that they have read and understood our Code of Conduct. They must certify their compliance with our Code on an annual basis and disclose any potential conflict of interest or any other possible exception to the compliance with the Code. Failure to complete the certification process can be a Code violation that can be subject to disciplinary action and/or impact the employee’s performance reviews at the Company’s discretion, where permitted by law. In no circumstance does the employee’s failure to read our Code, sign an acknowledgement or certify compliance exempt him/her from fulfilling their commitment to complying with our Code.

# What is Panda Retail Company Code of Conduct?

This Code reflects our core values and our firm commitment to honesty, integrity and conducting our duties professionally, efficiently, and in the best interest of Panda Retail Company. It does not cover all required and prohibited behaviors, but does provide fundamental principles and expectations to guide your conduct as a Panda employee.

The values and principles spelled out in our Code of Conduct serve as our compass; the Panda Retail Company Code of Conduct is the road map that helps us stay on course with those values.

The Code sets basic requirements for business conduct and serves as a foundation for our Company policies, procedures and guidelines, all of which provide additional guidance on expected behaviors.

# What are the consequences if an employee violates the Code?

We are deeply committed to the values of the Code of Conduct and will take seriously any failure to uphold these commitments. Violations of the Code will lead to disciplinary action. The type of discipline will depend on the severity of the breach and may include dismissal for cause or good reason in serious cases.

The consequences are the same for our suppliers, consultants, independent contractors, agents or other representatives who fail to meet the ethical standards expected of our employees. If the breach is very serious, we may terminate our relationship with the third party.

You should also keep in mind that some sections of the Code simply reflect applicable legal requirements. This means that, in some cases, an action that breaches the Code may also violate the law. In these instances, the punishment can include fines or imprisonment.

# Why do we have a Code, and why must we follow it?

To continue to operate and maintain our reputation as a Company that puts first the needs of the customers we serve, we must each learn, understand and comply with our Code.

Complying with our Code is about creating an environment where we can do our best work and be proud of the work we do, the challenges we overcome and the successes we achieve — all because we do these things efficiently, fairly, legally and with integrity.

Whenever we become aware of a violation of the Code, Company policy or the law, we will act to address the problem and prevent future occurrences. Depending on the circumstances, corrective and preventive steps might include training, counseling and disciplinary actions up to and including termination of employment.

You have a responsibility to speak up when you are in a situation or are aware of a situation that you believe may violate or lead to a violation of the Code, Company policy or the law. Our [Whistleblowing](http://jjhccp.jnj.com/WWOHCCP/hcc/Documents/Escalation%20Documents/Escalation%20Procedure%20Documents/Escalation%20Procedure%20Links.pdf) Policy can offer guidance on how to bring attention to a matter of concern.

# Who must follow the Code?

This Code of Conduct applies to every Panda employee, Board of Directors, suppliers, vendors, contractors and consultants, agents and other representatives. All employees of Panda Retail Company are required to comply with the Code of Conduct, Company policies and laws that govern our activities. It is the responsibility of every employee to know and follow the Code. Together with other Company policies, the Code helps us make the right decisions and take the right actions, regardless of the type of work we do.

By following our Code, you serve as a role model for your peers, business partners, customers and others who see you in action every day.

If you have a management role, you have additional responsibilities to serve as a positive role model in every respect and to help your employees review, understand and apply the Code.

Individuals and companies conducting business on our behalf must also follow our Code of Conduct, in addition to other relevant Company policies. Applicable provisions of this Code should be included in the contracts of third-party suppliers, manufacturers, contractors, vendors and distributors doing business on behalf ofthe Panda Retail Company.

# Where can we go for advice and guidance on our Code?

The Company has processes, guidance and procedures in place to help you follow this Code, Company policy and the law. Employees are encouraged to take advantage of the resources and expertise that exist within Panda Retail Company, including:

**Managers and Senior Leadership** are available to answer questions and are generally most familiar with the Company guidelines

**Human Resources** can explain and answer questions about employment, benefits and workplace issues.

**The Legal Affairs Department** can help explain and interpret this Code, and provide guidance about how to conduct business on behalf of Panda Retail Company in compliance with the applicable laws.

**Internal Audit and Finance** are available to answer questions about the Code of Conduct or Company policies related to financial, company controls and accounting matters.

Quality and Assurance can explain and answer questions regarding the quality, safety, and regulatory compliance of products and supply chain processes, including environmental, health and safety.

**Our Integrity Action Email** ([Integrity@panda.com.sa](mailto:Integrity@panda.com.sa))

It is independent, secure and confidential. Employees can choose to remain anonymous, but are encouraged to identify themselves and to provide as much information as possible so the Company can conduct an efficient and effective investigation of the reported issue.

# Every employee’s responsibility

To fulfill our responsibilities,maintain and enhance our culture and reputation, we rely on our employees to help enforce the Code.

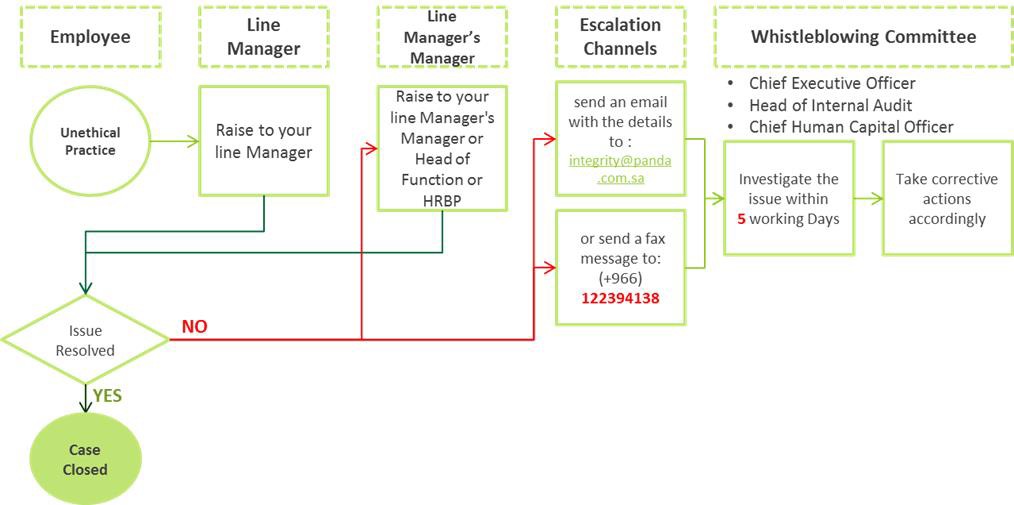
1. Employee should act with honesty, integrity and fair dealing with others and must not make any inaccurate or misleading claims.
2. The employee of Panda must persistently provide the highest level quality of services to customers, make sure that they are satisfied with the provided services and show the positive image of the Company.
3. Speak Up! If you think there is a violation of the Panda Retail Company Code of Conduct, or if you think an activity or behavior could lead to a violation, it is your responsibility to speak up.
4. Whether you report anonymously or not, you should provide as many details as possible so the issue can be addressed thoroughly and promptly. Our Company does not tolerate retaliation against anyone who raises a concern under this Code. Any employee who engages in retaliation will face disciplinary action, which could include termination of employment.
5. Non-Retaliation

Panda Retail Company is committed to protecting the rights of those individuals who report issues in good faith. Our company will not retaliate or permit retaliation against a person who in good faith:

* + Reports what he or she believes is a violation of our Values, our Code, our policies, or the law
  + Raises a compliance question or seeks advice about a particular business practice, decision action

Retaliation against an employee for reporting an issue in good faith is itself a violation of our Code. If you know or suspect that retaliation has occurred or is occurring, you should report it.

# Whistleblowing Process

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* 1. **Every manager’s responsibility**

If you manage other employees, you have a special and important responsibility to set an example and act in a manner consistent with our Code of Conduct. Here are important guidelines you should follow:

* + - Act as a role model, demonstrating ethical behavior in the performance of your duties;
    - Make fair and objective business-based decisions;
    - Review the Code at least once a year with your employees;
    - Help employees understand the Code and Company policies and have access to resources to help them live the Code every day;
    - Ensure employees are aware of, and properly trained on the relevant laws, regulations and Company policies that govern the business activities that they are engaged in on behalf of the Company;
    - Create an environment where employees are comfortable speaking up without fear of retaliation;
    - Take seriously any concern raised by an employee that compromises our Code, and take time to understand if the issue should be escalated. If so, escalate the matter as soon as possible;
    - Take corrective or preventive action when someone violates the Code;
    - Fully support any investigation; and
    - Recognize and reward ethical behavior.

# PART 2: RESPECT & FAIR TREATMENT IN OUR WORKPLACE

Our culture cultivates an inclusive and respectful work environment. This includes treating our colleagues with dignity and fairness, and maintaining a workplace that is free of harassment, discrimination and violence. It also means welcoming colleagues with different backgrounds and capabilities. Each of us deserves a safe, clean and welcoming place where we can do our best work.

This diversity brings us a wealth of experience that makes us a better team. Different thoughts, abilities, experiences and individual characteristics make our work environment richer and lead to better business decisions.

# Equal Opportunity, Inclusion and Diversity

We aim to employ people who reflect the diverse nature of society and we value the contribution made by every colleague, irrespective of age, gender, disability, race, color, religion, or ethnic origin. At our stores, in our distribution centers and in our offices, we shall make employment decisions solely on the basis of job-related skills, achievements and performance, using clearly defined and fair criteria.

We shall also make sure everyone can work in away that suits their circumstances –- we support flexible working and encouraging job-sharing opportunities and shift swapping where this is possible.

We strive to create an environment of equality and inclusion where you feel your contribution is valued, you are treated well and you are encouraged tofulfil your potential. In addition, we shall work to

* Demonstrate respect for our fellow colleagues, and others that we come into contact with, whether they are customers, suppliers or other parties, regardless of any social orcultural differences;
* Create an environment of openness and collaboration so we can draw from;
* the diversity, knowledge and experience of our colleagues;
* Voice our views and concerns through the relevant channels so that we can all work together to make Pandaa great place to work;
* Make the right employment decisions, for example recruiting new colleagues and reviewing those who alreadywork in your team, based on merit and business considerations alone; and
* Support initiatives to improve employment levels and skillswhere this is needed.

# Non-discrimination and Anti-Harassment

Each of us should have the opportunity to reach our full potential and contribute to the success of Panda Retail Company. To accomplish this, you should never discriminate or treat employees or job applicants unfairly in matters that involve recruiting, hiring, training, promoting, compensation or any other term or condition of employment.

Our Company provides equal opportunities for employment. We base employment decisions on merit, considering qualifications, skills and achievements.

We also do not tolerate harassment. Harassment is unwelcome and offensive conduct that may interfere with a person’s ability to perform his or her work. Harassment does not require intent to offend.

These provisions apply to interactions with employees, customers, contractors, suppliers and applicants for employment and any other interactions where employees represent Panda Retail Company.

# Unacceptable Behavior

Our company values everyone and treats them the right way. We do not tolerate abuse or unacceptable behavior in the workplace in any form, whether towards our customers, other colleagues, suppliers or anyone else. We should be sensitive to actions or behaviors that may be acceptable in one culture but not in another. Employees found to have engaged in unacceptable behavior can face serious consequences such as disciplinary action, including dismissal.

Panda employees are expected to:

* Create a welcoming and inclusive work environment;
* Do not engage in behavior that would be considered by anyone in the team as creating a hostile or intimidating work environment, including making inappropriate jokes or comments; and
* Do not spread malicious rumors or gossip that might be considered derogatory, defamatory, harassing, or otherwise offensive.

# Safe & Healthy Work Environment

At Panda Retail Company, we are committed to providing a safe and healthy workplace for employees, business partners, visitors and vendors working within, or visiting, our facilities and premises as well as customers shopping in our stores.

Every employee is responsible for making safety and health a priority and should:

* Promptly report unsafe or hazardous conditions to supervisors;
* Comply with all policies, laws, regulations and standards relating to conditions of employment, including those concerning hours, wages and other working conditions;
* Comply with applicable workplace safety and industrial hygiene policies, laws, regulations and standards.

# Use of Social Media

Social media includes any digital communication channels that allow individuals to create and share content and post comments. It is a powerful marketing and communications tool, and a venue for customer service.

Employees must comply with all Company policies in their use of online media. Our policies apply to communications related to job responsibilities and to personal communications that may impact the Company. In personal activities on social media, employees should be polite, respectful, and remember that one’s conduct may impact the way others view who we are and what we stand for as a Company.

Panda wants you to feel engaged to share promotional and representative information and ideas using social media, but you must do so in a responsible manner. Specifically, colleagues using social media must:

* 1. Use sound judgment and common sense;
  2. State that the materials and opinions you are posting are yours and not the company’s;
  3. Adhere to Panda’s shared values, this Code and all applicable Company policies;
  4. Refrain from using any Panda or third party logos or trademarks without express permission; and
  5. Participate in a manner that protects Panda brand, reputation, goodwill and confidential and proprietary information.

# PART 3: INTEGRITY IN OUR MARKETPLACE

Giving our role in the lives of so many people who work, shop, invest and do business with us, it is absolutely essential that colleagues act with integrity and take personal accountability in all interactions when representing Panda. Integrity is the foundation upon which our Company was built. It continues to be the basis for our strong reputation and our loyal relationships. To protect that legacy – and because it is the right thing to do – all Panda employees must conduct themselves in an ethical, lawful and professional manner.

While integrity and compliance with laws and regulations is mandatory, it also shows our commitment to being a responsible corporate citizen. It demonstrates we care about and respect the people we serve. In addition, non-compliance with laws and regulations can result in civil and criminal fines and penalties, imprisonment and other commercial or personal disciplinary actions.

# Bribery & Corruption

Panda Retail Company takes a strong stance against bribery consistent with the anti-bribery applicable laws. We strictly prohibit bribes, kickbacks, illegal payments and any other offer of items of value that may inappropriately influence Panda businesses.

As a business operating stores and buying from different suppliers, we must be alert to the risks associated with bribery. We must act fairly and ethically wherever we do business.

It is important that everyone understands our zero tolerance approach to bribery and our commitment to integrity in business. Bribery is illegal and it damages markets and communities and transfersresources into the wrong hands.

As a business we expect everyone who works with us to adopt the same zero tolerance approach.

# Everyemployee’s responsibility

* Never give bribes, payments, gifts such as cash or any other benefits to persuade someone or a party to act in your favor or in business favor.
* Never seek or accept bribes, such as gifts or entertainment to give business to a new or existing supplier.
* Know and understand the third parties we engage by conducting due diligence on them, in particular on those that perform services on our behalf.
* Be mindful of the bribery risks posed by engaging with different parties and ensure our engagements are always open, honest and transparent.

# Competition

Our customers expect us to compete fairly and independently in the market. Healthy competition brings lower prices, wider choice and better products. We use our scale for good by competing hard with our competitors to offer our customers the best shopping experience.

We are responsible for dealing fairly with customers, suppliers, competitors and other third parties. This means our employees avoid taking unfair advantage through manipulation, concealment or misrepresentation of key facts, or other unfair practices.

The laws applicable in the market protect competition and there are significant penalties for companies and individuals that break the law. Investigations are disruptive and costly for the business and can damage the trust that customers place in us.

# Contact with Competitors

* Always act independently. Never agree with competitors to reduce competition between us. You cannot agree to fix prices or agree where we will or will not operate.
* You must not ask for, receive, or share confidential, commercially sensitive information with competitors. You can use information in the public domain to help make decisions.

# Contact with Suppliers

* You must not request or receive confidential, commercially sensitive information about a competitor from a supplier.
* Keep our suppliers’ confidential information confidential and do not share it with their competitors.
* You can ask suppliers for information in the public domain to help us make decisions.
* Carefully consider which suppliers you place business with – price should not be the only factor: quality, reliability and ethical responsibility are important considerations too.

# Putting Supplier Due Diligence into Practice

When selecting and retaining suppliers, you should:

* Follow Panda applicable bidding, negotiating and contracting processes
* Perform appropriate due diligence to determine that the supplier is a legitimate enterprise, with a reputation for integrity and ethical behavior, that does not engage in unlawful activities
* Avoid potential or actual conflicts of interest with suppliers

# Setting Retail Prices

* Always set retail prices independently.
* Always focus on cost prices during price negotiations with suppliers. Suppliers can give us recommended prices but not fixed or minimum prices.

# Document Creation

* Take care when writing about Panda business, Panda customers, suppliers, or competitors. Remember that most internal documents including e-mails, negotiation notes and reports are important to be carefully protected.

# Fraud

Doing the right thing ensures that we do not compromise ourselves or the business by our actions and that we are awareofthe risks we face. As

Fraud is a serious crime that harms our business and can have a significant impact on our costs and profits. The term fraud is commonly used to describe theft through a wide variety of dishonest behaviors such as deception, forgery, lying and concealment of material facts.

Fraud may occur in many different parts of our business, including during online transactions, during the transportation of goods through our distribution system or in the office.

Panda is the victim of fraud, so we all have a responsibility to protect the business from fraudulent activity, whoever commits it. We place significant trust in our employees to act honestly at all times, so we will always investigate and take action when fraud is committed against our business.

# Media and External Communication

Panda Retail Company is a large and highly visible company. The way in which we conduct ourselves at work and the decisions we make can have a direct impact on the Company’s reputation.

Our aim is to always ensure that our impact is a positive one, rather than a negative one. It is therefore every employee’s responsibility to behave in a manner that represents Panda Retail Company as a good corporate citizen.

To ensure that employees do not inadvertently risk Panda reputation, it is important that they do not make statements or provide information to media; post inappropriate, false or malicious comments or materials online regarding the Company, their workplace and/or their colleagues; or reference the Company negatively in any online social media or public forums.

Panda’s Public Relations Department helps us manage our important relationships with the media and the public.

To help them do their jobs properly:

1. Do not speak publicly or to the media on behalf of the Company without the approval of Public Relations and the Legal department.
2. Send any requests for comments or information received from the media to Public Relations.

# PART 4: FINANCIAL INTEGRITY & PROTECTING OUR ASSETS

* + We must keep complete and accurate financial records that fairly represent the condition and results of the Company. Weprotect our Company’s property, assets and confidential information.
  + Financial integrity helps us maintain the trust and confidence we have built with shareholders, the authorities, customers, suppliers, contractors, employees and other stakeholders.

# 1. Accuracy of Company Records and Public Reports

As one of Country’s largest public companies, our Company is closely followed by both current and prospective shareholders and other market participants.

In all of our dealings, we must keep accurate books and records that maintain the integrity of our financial reporting, support our internal decision-making and strengthen our reputation with stakeholders.

We should reflect the Company’s business transactions accurately, fairly and in a timely manner. Panda maintains adequate and effective accounting, auditing and business control practices in accordance with industry standards, and complies with accepted accounting rules and controls at all times.

Panda is committed to providing full, true and plain disclosure in accordance with the law. In keeping with those commitments, employees are expected to:

1. Report expenses accurately and honestly;
2. Only use Company funds for Company purposes; and
3. Fully cooperate with the internal and external audit procedures of the Company.

We must also make accurate entries into corporate books, records, reports, financial statements and public disclosures.

Inaccurate financial reporting could undermine shareholder confidence, impact our reputation and subject the Company to fines and penalties.

# Intellectual property and confidential business information

Our intellectual property and confidential information are irreplaceable assets. We must secure and protect the use of these valuable assets.

Intellectual property includes copyrights, patents, trademarks, product and package designs, brand names and logos, inventions and trade secrets.

At all times, employees should take precautions to protect our intellectual property and confidential business information. Employees should avoid talking about or sharing information about these things in any public places.

Any suspected theft of intellectual property or unauthorized disclosure of, or access to, our Company information should be immediately reported to one’s manager, who will decide on further escalation to our Information Technology Department and Human Resources Department.

# Confidentiality

In our daily jobs, we are entrusted with confidential Company information that must be treated with care. Disclosure of confidential Company information can seriously harm Panda. Generally, “the Company’s confidential information” includes any information that has not been disclosed to the public by the Company, including projects; sales; earnings or other financial results; competitive activities; technology; products; recipes and formulations; business processes; marketing and advertising plans; product launches; forecasts and business plans.

You can only share confidential Company information as follows:

**Internally,** with colleagues who have a specific need to know, for appropriate business purposes.

**Externally,** outside of Panda only if:

* The other party has signed a non-disclosure agreement with Panda Retail Company, or as approved by the Legal Affairs Department; and
* You have obtained the approval of your Line Manager and any other appropriate approvals required in Panda.

If you are unsure about whether you are dealing with confidential Company information or the appropriate approval required before disclosing it, check with your Line Manager.

# Brand & Intellectual Property

Our brand gives us a competitive edge in the marketplace. We must be proud of it and protect it. We must always take care to protect our intellectual property rights – from patents, designs and copyright, to trademarks and trade secrets. Protecting what is ours helps us to ensure that it isn’t copied or sold by others without our agreement.

If we are involved in creating new product designs, brands or innovations for Panda, we must always understand our brand guidelines and know and respect the intellectual property rights of others. Stealing someone’s idea reflects badly on Panda and it damages customer trust.

# Use of Panda Brand / Name

1. All employees shall refrain from using Panda’s name and/or logo or any representation of it in any communication or activities that are not related to their role at Panda.
2. Panda employees may only represent the organization in writing or verbally, after obtaining prior permission from Panda’s relevant PR/Communications Department and/or as advised by Line Manager.

# Use of Company Assets

We rely on Company assets to support our work every day. Computers, mobile devices, information technology hardware and software, vehicles, facilities, machinery, inventory, intellectual property, supplies and other assets are placed in our care and should only be used for legal, appropriate reasons.

When working with Company information or technology tools (such as laptops, email, databases, etc.), employees should set up complex passwords that cannot be easily guessed and should never share passwords. Company information should not be stored with unapproved Internet as that information may not be protected and may be accessed by unauthorized people.

# Email, Internet and Information Systems

Employees must use Company email and internet accounts responsibly and protect the security of our information systems.

Our information technology systems are a key component of our business operations and are provided for authorized business purposes. Your use of these systems must comply with our Information Security policies. You may engage in reasonable incidental personal use of phone, email and the internet as long as such usage does not:

* Consume a large amount of time or resources
* Interfere with your work performance or that of others
* Involve illegal, discriminatory or otherwise inappropriate material
* Relate to outside business interests
* Violate our Code or any company policy

Panda Retail Company reserves the right to monitor, record, disclose, audit, and delete without prior notice the nature and content of an employee’s activity using our Company’s email, phone, voicemail, internet and other systems, to the extent permitted by the law.

# PART 5: SERVING OUR CUSTOMERS

Panda Retail Company adopts the approach of “Customer-centricity” that is central to our success and encourages us to understand our customers and deliver for them every day.

Great service means giving our customers prompt, helpful and courteous responses to their questions. We go the extra mile to let them know we appreciate their trust in Panda.

We provide our customers with clear, accurate information about our pricing, products, programs and services, through our communication and advertising. All promises and commitments we make to our customers are true, supported with proper testing and communicated in a clear and understandable manner.

We welcome customers with disabilities, providing our goods and services in a way that respects their dignity and independence, while ensuring they can shop in our stores safely. **We need to do everything to ensure our experience have a great experience.**

# Clear Prices & Marketing

Advertising and marketing are among the most powerful ways we talk to our customers. Customers tell us that clear communications about our products and prices are important to them. Whatever media we use, our messages influence our customers’ decisions as to where, how and why they choose to shop with us.

If we get our messages wrong, we upset customers and may attract the attention of the media. If we are found to mislead customers, we may face lose customer trust.

* If you are involved in any marketing activity, ensure that all messages are honest, accurate and fair.
* Keep promotions and pricing simple: avoid complex price promotions and frequent price changes.
* Ensure that all messages are responsible; no customer should ever be offended by our advertising.
* When comparing our prices or products with those of competitors, always use accurate comparison data

– compare like with like and keep comparisons up to date.

* Ensure that your advertising matches our products - validate all images so you are certain that they are genuine and relate to the products being sold.
* Make sure your advertising is appropriate and responsible.
* Never make untruthful marketing claims about any third party, such as a supplier or a competitor.

# Food & Products Standards

Our customers expect us to only sell products made to the highest quality and they trust us to ensure that all our products are safe and comply with all applicable laws and regulations. We are committed to ensuring the safety and quality of all our products from the moment we take delivery until the time our customers buy them.

We are committed to using our scale for good. We have simplified our supply chain to help build better relationships with our suppliers and ensure that all the products we source are safe and meet quality standards.

We have a well-established and comprehensive food safety management system within our stores and distribution centers. Every day we monitor and check the quality and safety of our food to make sure our standards are maintained. Such checks include the temperature of our products, personal hygiene, cleanliness of our stores and equipment, protecting foods from contamination and managing the rotation of our food products.

As a Panda employee, you are required to:

1. Ensure that you fully understand and follow applicable product safety procedures; and
2. You immediately report a product safety issue when you become aware of it. Product safety issues should be raised to your Manager and directed to the Store Manager / Distribution Center Manager.

# PART 6: CONFLICT OF INTEREST

A conflict of interest happens whenever our personal interests are allowed to interfere or influence our ability to make decisions for the good of the business or our customers. This could be when a familymember becomes a supplier or sells services to the business. Even when nothing wrong is intended, the appearance of conflicting interests can hurt our reputation and the Company’s image.

Business decisions must be based on the best interests of the Company, never on possible personal benefit to you or other individuals.

You must avoid conflict of interest situations where your personal interests (or those of your family members) could interfere with your obligations to Panda. This includes misusing your position in any way for personal gain and situations which create the appearance of a conflict of interest.

Employees must not accept compensation (in any form) for services performed for the Company from any source other than the Company.

You should always be aware of any personal interests that might give rise to a conflict of interest and remember to:

* Remove yourself from the decision making process and declare your conflict of interest if you own any of the issued shares of any competitor, supplier or other organization which regularly deals with Panda.
* As soon as possible, tell your line manager if you feel you might have a potential conflict of interest.
* Do not do business on behalf of Panda with a company from which you, or a family member, might benefit unfairly (other employees can do business with such a company, but you must not be involved or try to influence the relationship in any way).

# Gifts, Entertainment, and Hospitability

As a matter of Company principle, we do not receive gifts and gratuities. We understand, however, that small tokens of goodwill may be exchanged between us and our suppliers on special occasions and that from time to time you may be offered an invitation to a social event because of the job that you do. Gifts such as these can be accepted provided they do not exceed SAR 150 in value or result in personal gain for the recipient, or favorable treatment for the giver if they are someone from whom we buy, sell or receive goods and services.

Accepting some types of gifts and gratuities like bribes, inducements, special personal discounts or merchandise, however small, could embarrass an employee, the supplier, and compromise Panda Retail Company. In some cases, these gifts are interpreted as fraud and be illegal.

Gifts should never influence – or appear to influence – our business decisions in any way. We will never seek or apply any influence in exchange for promises, gifts or any other inducements. Employee should also refuse gifts or entertainment that may be construed as a bribe or carry an expectation that you will award business in return.

Any gift or entertainment given or received must be appropriate, be approved in accordance with our policy, and where required must be logged in the local gift register.

If you receive an unsolicited gift that cannot respectfully be returned (e.g. gift baskets received during the year-end, Ramadan, Eid seasons), then you may accept it on behalf of the Company so that it can be raffled, with the proceeds paid to a charity designated by the Company.

Company activities include modest forms of hospitality, such as lunches or dinners and occasional gifts of minimal value, which do not influence business decisions. Although it is difficult to define “customary” or “modest,” the best approach is to exercise good judgment. If you are offered anything that is more than nominal in value, you must consult with your Line Manager. You should avoid activities that are excessive or become a regular occurrence. For example, if the action will cause a disinterested third party to think the gift or service affected your judgment, then it is excessive and should be refused.

# Family Members & Close Personal Relationships

Relationships with family members and close personal friends can influence our decisions. It is important to be careful about Company business decisions that involve close personal relationships.

To prevent conflicts of interest:

* Avoid supervising or taking part in the hiring or promoting of a family member.
* Avoid holding a position with access to or influence over performance appraisals, salary information or other confidential information related to a family member.

These situations should also be avoided in connection with another employee or a prospective employee with whom one has a close personal relationship outside the Company.

If any of these situations occur, an employee must inform his/her manager of the relationship. The manager will assess the situation, consult with his/her management as needed, and may elect to transfer one of the employees to another available position where no conflict exists.

# Private Work, Second Jobs and Voluntary Activities

You should not enter into any commitments to undertake paid secondary employment or voluntary activities where this could have a conflict of interest with Panda business or interfere with your ability to do your job.

You must not undertake private work for any individual or entity which otherwise would be undertaken as part of your normal duties or by the service area in which you work.

Panda premises, equipment or other resources shall never be used to undertake private work.

# Political Activity

Employees must refrain from any political activity on behalf of the Company. This includes sharing views, contributing to funds, and using the Company’s assets, resources, name or products to advance personal political beliefs and objectives.