
SUPPLIER CODE OF CONDUCT

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Introduction

Bahri Ship Management Supplier Code of Conduct (hereinafter referred to as 'Code') sets out minimum requirements for our direct suppliers and select sub-suppliers as decided by us (hereinafter referred to as suppliers) to operate in accordance with responsible business principles detailed in this Code and in full compliance with all applicable laws and regulations. Where the standards in this Code differ from local and national laws as well as international standards, we expect our suppliers to apply the stricter standard. In the event of standards in this Code conflicting with local and national laws as well as international standards, we encourage our suppliers to address such conflicts to us in order to jointly establish the most appropriate course of action.

This Code reflects our commitment to the United Nations Global Compact (UNGC) and our respect for universally recognised normative standards such as the United Nations Universal Declaration of Human Rights, ISO standards on HSE and the core labour conventions of the International Labour Organisation (ILO).

Our suppliers are also required to implement the principles and standards of this Code or similar internationally recognised standards to their own business partners, including suppliers, contractors, and joint venture partners.

Implementation

Our suppliers are required to acknowledge and commit to the adherence of responsible business principles of the Code during the bidding / quotation process. We assess our suppliers' compliance with the Code through their declaration and documentation reviews.

We expect and encourage our suppliers to develop and implement relevant management systems, appropriate for a company of their size and industry to ensure compliance with applicable laws and regulations and the requirements of the Code. The underlying objective of this Code is to establish a basis for positive development of sustainable procurement practices through regular dialogues and ongoing working relationships. In the incident of severe violations of the Code, we reserve the right to take actions including and up to termination of contracts.

Reporting concerns

We expect our suppliers to have a reporting system to ensure that employees can voice grievances anonymously and without fear of reprisals on any aspect of this Code. All grievances should be investigated in a fair and timely manner. We also welcome concerns from anyone within or outside of Bahri Ship Management if they suspect or know of any potential or actual violations of this Code. We do not tolerate retaliation against persons making reports in good faith.

You can report concerns through the channel you are most comfortable with, such as Bahri Ship Management representatives, Procurement Director, or through the below email:

Reporting email: ethics.bsm@bahri.sa

Supplier Code of Conduct

1. Business ethics
2. Health and safety
3. Environment
4. Working conditions and employment practices

1. Business ethics

We require our suppliers to conduct their business by adopting the highest standards of ethical behavior.

Suppliers should:

- Avoid participation in or knowingly benefit from, any kind of corruption, extortion or bribery.
- Adhere to applicable anti-corruption and anti-bribery laws, directives and regulations that govern operations in the countries in which they operate.
- Avoid facilitation payments and work towards eliminating it.
- Adhere to anti-trust and other competition laws.
- Disclose any potential or actual conflict of interest to Bahri Ship Management.
- Adhere to national and international foreign trade control laws pertaining to business transactions with countries, companies and persons (sanctions), and the transfer of goods and services, software or technology between countries (export controls).
- Exercise quality and sustainability due diligence when designing, manufacturing, and testing products.
- Adhere to data privacy laws and comply to contractual requirements on confidentiality and information security.

2. Health and safety

We require our suppliers to provide a safe, secure and healthy working environment for all of their workforce.

Suppliers should:

- Develop and implement effective health and safety management systems with worker participation in the safety committees.
- Ensure that safety management systems support identifying risks, measuring and monitoring performance, and driving continual improvements to mitigate or minimise health and safety risks emanating from its operations.
- Ensure compliance with applicable laws, regulations and customer requirements.
- Ensure protection of their workforce by providing basic personal protective equipment appropriate to the nature of work and relevant training on health and safety systems.
- Empower workers to report unsafe practices without fear of reprisal.
- Commit to proactively undertake safety initiatives to protect people and assets from harm and damage.

3. Environment

We require our suppliers to integrate environmental considerations in their operations and strive for continuous improvements to mitigate or minimize any adverse impacts on the environment.

Suppliers should:

- Comply with all relevant local and national environmental laws as well as international standards, obtain and maintain all the necessary environmental permits, approvals and registrations.
- Develop and implement effective environmental management systems that support identifying risks, measuring and monitoring performance, and driving continual improvements to mitigate or minimise environmental impacts emanating from its operations.
- Develop a precautionary principle approach and promote environmentally friendly technologies and processes in their own operations and across the supply chain.
- Commit to proactively undertake initiatives to protect the environment from harm and degradation in relation to their operations.

4. Working conditions & employment practices

We are committed to creating and sustaining a working environment where workers are treated with dignity and respect. We require our suppliers to also adopt and enforce similar workplace practices.

Where local laws dictate any additional requirements, those will be applicable along with the requirements mentioned below.

Suppliers should respect and adhere to internationally recognised labour and human rights standards as defined in the principles of the United Nations Global Compact. Suppliers should:

Respect all applicable laws, regulations and international standards related to labour practices and protection of human rights.

- Ensure equal treatment and refrain from discrimination of any form, including on grounds that are prohibited in national laws and international standards.
- Commit to a workplace free of harassment and abuse, and not use, or permit the use of, corporal punishment or other forms of mental or physical coercion, sexual harassment or abuse, nor execute threats of such treatment.
- Establish fair disciplinary, grievance and termination procedures.
- Not employ workers below the age of 15 years or below the age of 16 for work at sea or the locally applicable minimum legal age, whichever is more stringent.

Ensure that employees, including trainees, under the age of 18 do not undertake night-shift work or work overtime or carry out work that is hazardous or harmful to their physical or mental development.