

Sustainable Procurement Policy

Bahrain LNG (BLNG) has adopted a corporate procurement policy that embeds sustainability and ethical considerations into the procurement process rather than having them as an add-on or separate policy.

The objective of procurement activities within BLNG is the timely acquisition of the right goods, works and services, while addressing:

-) fairness, integrity and transparency, through competition;
-) economy and effectiveness; and;
-) best value for money.

Further, BLNG:

-) purchases primarily from manufacturers and authorized representatives.
-) pre-qualifies and registers suppliers and contractors with which it does business.
-) manages the performance of suppliers and contractors.
-) uses primarily competitive tendering for all procurement.
-) invites an appropriate geographical range of suppliers and contractors to tender.
-) purchases products that comply with recognized local standards and specifications.
-) conducts regular audits on approved suppliers; and does not do business with companies employing child labour or forced labour; does not do business with companies that has high risk of significant safety issues; and
-) does not do business with companies that contribute to significant conversion of natural and/or critical habitats.

BLNG Supplier Selection

While selecting suppliers for its supply chain, priority shall be given to companies satisfying the following criteria.

-) The company complies with local and international laws, regulations and places emphasis on human rights and environmental consciousness.
-) The company has sound business practices and operations.
-) The company has the ability to supply goods and/or services to BLNG with emphasis on appropriate quality, price and delivery lead-time proving the net best net value to BLNG projects and operations.
-) The company is capable of providing a stable supply of goods and/or services even in times of unexpected circumstances that would affect its own supply chain. Also the company must have the flexibility to respond quickly to supply/demand fluctuations.
-) The company possesses technology that will continuously add value to the requirements of BLNG.
-) The company adheres to specific requirements regarding human rights, labour, environmental performance, health and safety.

Applicable Standards

BLNG adheres to, and requests that all of its suppliers and contractors will adhere to, the following standards:

) International Labour Standards

Companies doing business with BLNG are required to accept and comply with International Labour Standards as prescribed by the International Labour Organization (ILO) www.ilo.org. The ILO provides a publication (Rules of the Game) as an introduction to international labour standards and discusses their importance in today's global economy, the subjects they cover, how they are applied and supervised, and where further information can be sought. "[Rules of the Game](#)"

) Environmental and Social Responsibility Development

Companies will be required to demonstrate that they are complying with the International Finance Corporation's Performance Standard 2: Labour and Working Conditions and Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources, as part of the supplier prequalification for selection process. "[PS2 Labor and Working Conditions](#)" and "[PS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources](#)".

) Universal Declaration of Human Rights

Suppliers will be required to demonstrate ongoing compliance to the Universal Declaration of Human Rights.

BLNG requires that its suppliers ask their own suppliers to adhere to these standards.

Applicable Laws

Companies are required to ensure compliance with laws, regulations and appropriate social customs of the countries and/or regions in which they operate:

-) Ensuring compliance with the prevailing laws and regulations in the countries and/or regions in which they operate include anti-trust laws, commercial codes, subcontractor regulations, foreign exchange laws, personal privacy laws, copyright laws, etc.; and
-) Prohibiting of bribery (any gift, payment, consideration, financial or non-financial advantage or benefit of any kind which constitutes a corrupt and illegal practice).

Considerations to Human Rights, Labour, Environmental Performance, Health and Safety:

-) Suppliers are encouraged, in every sort of business activity, to respect basic human rights and to establish safe and clean working environment.
-) Suppliers are prohibition from engaging in the following practices:
 1. Forced labour (including slave labour)
 2. Trafficking of humans
 3. Inhumane treatment and infringement of human rights
 4. Child labour
 5. Discrimination
-) Suppliers are required to consider the following practices:
 1. Payment of appropriate wages
 2. Regulation of working hours
 3. Respect to freedom of association

-) Suppliers are required to establish a safe and clean working environment.
-) Suppliers should demonstrate that they are not significantly contributing to significant conversion of natural and/or critical habitats.

Child Labour

BLNG fully subscribes to the UNICEF Convention on the Rights of the Child and draws the attention of potential Suppliers to Article 32 of the Convention that requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development. BLNG reserves the right to terminate any contract unconditionally and without liability in the event that a company is discovered to be in non-compliance with the national labour laws and regulations with respect to child employment.



A R Bingham
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