



# Seplat’s Sustainable Supply Chain Management framework promotes high standards of environmental, social, and ethical performance

Seplat Energy continually collaborates with all key stakeholders in our supply chain universe as part of our sustainable development journey. These key stakeholders work with our Supply Chain Management (SCM) team to ensure that the procurement process of goods and services are carried out responsibly to minimise the negative effects and enhance the positive impacts on the environment and society, whilst meeting our business requirements and long-term goals.

This we achieve by incorporating social, environment and ethical considerations into our procurement decisions, as well as complying with all existing regulations that govern our operations.

## Environmental Stewardship

We ensure that our procurement activities and those of our vendors adhere to all applicable local and international environmental laws and regulations.

We ensure that our vendors have good management systems that largely mirror our environmental care ethos and demonstrate commitment to:

- The reduction of waste and emissions in our operations,
- Efficient use of water and energy
- Encourage biodiversity and natural resource conservation and substitution measures to be adopted during the contract/project,
- The safe handling of hazardous materials.

We emphasize monitoring, measuring, and reporting of the environmental impacts as well as training of our employees as well as all stakeholders in our supply chain on environmental management.

## Social Performance

Seplat requires that our suppliers adhere to all domestic laws and expects them to adhere to applicable international principles as set out in the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work. On a regular basis, we communicate directly with our suppliers about the importance of respecting human rights.

We expect our suppliers and contractors to treat their employees and to interact with communities in ways that respect human rights and adhere to the spirit and intent of our Human Rights Policy.

We ensure that our vendors have good management systems that largely mirror our commitment to:

- Health and safety,
- Working conditions of the workers,
- No forced labour,
- No child labour,
- Non - discrimination in the workplace,
- Freedom of association and the right to collective bargaining,
- Disciplinary practices,
- Community engagement and development,
- Local content,
- Diversity and inclusion etc

We support local content by encouraging our international suppliers to form partnerships with local businesses and to maximize the purchase of local goods and services. These relationships create an opportunity for the local businesses to gain access to new technology, to bring their processes up to international standards and to train their people on the latest industry practices.

We have also taken deliberate and strategic steps since inception to support local contractors and suppliers who have built capacities and competencies to support our operations. This support also extends to those who are starting out and desirous of developing capacities & competences in different areas of our business.

To further underscore this, a Community Vendor Contracting and Procurement Policy which specifies the various jobs that are exclusively reserved for community vendors has been developed and put in use. The policy also allows for contract awards to be made to a community contractor if their bid is not the lowest bid, but within 10% of the winning non-community bid. This is our way of not only encouraging and developing community contractors but also actively supporting them to win contracts which in turn creates capacity, jobs and contributes to the economic empowerment in our areas of operation.

Seplat also seeks to build and maintain a supply chain that reflects how deeply we value diversity.

## GOVERNANCE STANDARDS

We ensure that our procurement activities and those of our vendors adhere to all applicable local and international laws and regulations.

We ensure that our vendors have good management systems that largely mirror and demonstrate our commitment to:

- Anti - Bribery and Corruption,
- Anti-Money Laundering,
- No Conflict of interest,
- Personal Data Privacy /Protection,
- Responsible Sourcing of Materials,
- Whistleblowing,
- Anti-competition laws, etc.

We do this by monitoring, measuring, and reporting ethical impacts as well as training our employees and suppliers on Business Ethics.

## Implementing the Sustainable Procurement Policy in Seplat

To further embed these guiding principles, Seplat is implementing this policy by:

- Appointment of a sustainable procurement champion to provide guidance on this policy and its principles, measure and monitor the use, as well as review and revise as required.
- All supply chain professionals and staff shall be trained in sustainable procurement principles & practices, and they shall ensure that elements of these principles are embedded in our tendering process and resultant contracts.
- During the pre-award stage, vendors shall be evaluated against relevant ESG requirements and will be required to demonstrate adherence to the principles.
- ESG key performance indicators will be discussed and agreed with the vendor and assessments will be performance based.
- The Vendor Management Unit shall also ensure that new vendors are prequalified using the general ESG requirements prior to their registration.
- In line with our policy, we shall sanction and/or review our working relationship with vendors that show continuous disregard for our environmental, social, and ethical performance standards and acknowledge vendors who demonstrate commitment to our sustainability journey.

## Responsibility of the Sustainable Procurement Policy

- The Chief Executive Officer is responsible for this policy which shall be implemented by all employees, workers, interested parties, suppliers, and their supply chain.

## Review of the Sustainable Procurement Policy

- This policy shall be reviewed periodically as necessary, and the progress shall be measured against the sustainability strategy and reported in our annual sustainability report.