

1. Preamble & Commitment

Sterling Oil Group is committed to conducting business responsibly, ensuring that all suppliers and contractors uphold ethical, labour, safety, and sustainability standards consistent with international best practices.

Suppliers and contractors form an extension of our operations; therefore, their practices directly impact Sterling Oil's ESG performance and reputation. This policy establishes **mandatory standards** that suppliers and contractors must comply with, aligned to the **International Labour Organisation (ILO) conventions**, Nigerian labour law, and Sterling Oil's Code of Conduct.

2. Purpose

This policy aims to:

- Define Sterling Oil's expectations of suppliers and contractors regarding labour rights, health and safety, and ethical conduct.
- Align workforce and supply chain practices with ILO conventions and ESG principles.
- Provide a framework for monitoring, audits, and assurance of supplier/contractor compliance.
- Establish accountability mechanisms and consequences for non-compliance.
- Drive continuous improvement in supplier and contractor performance across the value chain.

3. Scope

This policy applies to:

- **Suppliers:** entities providing goods, materials, or equipment.
- **Contractors:** entities providing services or manpower.
- **Subcontractors:** parties engaged by suppliers or contractors.

Standards apply to all Sterling Oil business units, JV/PSC operations, greenfield projects, and support functions across Nigeria.

4. Guiding Principles

The following principles guide this policy:

1. **Compliance with Laws & Conventions** – All suppliers and contractors must comply with Nigerian labour, tax, and environmental laws and be aligned with ILO conventions on worker rights.
2. **Fair & Ethical Treatment** – Every worker must be treated with dignity, without discrimination, forced labour, or child labour.
3. **Safe & Healthy Workplaces** – Suppliers and contractors must maintain safe working conditions, PPE, and welfare facilities.
4. **Transparency & Integrity** – Business must be conducted with honesty, avoiding corruption, fraud, and unethical practices.
5. **Accountability** – Non-compliance will lead to corrective actions, and persistent violations may result in contract termination.
6. **Continuous Improvement** – Supplier/contractor development will be supported to enhance performance and sustainability.

5. Supplier & Contractor Standards

5.1 Employment Practices

- Workers must have written contracts in a language they understand.
- Employment must be free from coercion; recruitment fees must not be charged to workers.
- Minimum age of employment must comply with ILO child labour conventions.

5.2 Wages & Working Conditions

- Wages must be paid on time, directly to workers, with payslips provided.
- Working hours and overtime must comply with national laws.
- Workers must have rest days and paid leave in line with legislation.

5.3 Health, Safety & Welfare

- Suppliers and contractors must provide a safe workplace, PPE, medical facilities, and welfare amenities (housing, sanitation, food, and water where applicable).
- Regular HSE training and induction must be provided.
- Incident reporting systems must be in place.

5.4 Freedom of Association & Non-Discrimination

- Workers must be free to join or form associations and bargain collectively.
- No discrimination based on gender, ethnicity, religion, disability, or other status.

5.5 Ethical Business Conduct

- Zero tolerance for corruption, bribery, or fraudulent practices.
- Compliance with Sterling Oil's anti-bribery and Code of Conduct requirements.
- Confidentiality and respect for data protection.

5.6 Grievance Mechanisms

- Contractors and suppliers must maintain accessible grievance mechanisms.
- Where absent, Sterling Oil's grievance system will be available.
- Workers must be protected from retaliation when raising concerns.

5.7 Environmental Responsibility

- Suppliers must comply with environmental regulations.
- Proper waste management, pollution prevention, and responsible resource use must be demonstrated.

6. Governance & Oversight

- **Board/ARC:** Oversight of supplier and contractor standards compliance.
- **CEO/COO:** Accountable for implementation and integration into business strategy.
- **Head – HRSS:** Policy owner, responsible for ESG reporting and monitoring compliance.
- **Procurement & HSE Teams:** Integrate standards into contracts, conduct audits, and ensure remediation.
- **Suppliers/Contractors:** Directly responsible for compliance across their operations and subcontractors.

7. Monitoring, Audits & Assurance

- **Pre-Qualification:** Suppliers/contractors must confirm compliance before contract award.
- **Audits:** Risk-based audits conducted regularly, including document review, worker interviews, and site inspections.
- **Third-Party Assurance:** Independent audits may be commissioned to verify compliance.
- **Corrective Action Plans:** Non-compliance findings must be addressed with defined timelines.

8. Management

- Non-compliance may result in:
 - Warning and mandatory corrective action.
 - Escalation to management for persistent breaches.
 - Suspension or termination of contracts for severe violations (child labour, forced labour, corruption, major safety breaches).

9. Communication & Awareness

- Suppliers and contractors will be briefed on Sterling Oil's standards during onboarding.
- Expectations communicated through contract clauses, manuals, and training sessions.
- Awareness reinforced via regular contractor forums and ESG updates.