



NLNG SUPPLY CHAIN MANAGEMENT POLICY

1.1 Statement of Purpose

The NSML Supply Chain Management Policy underpins the company's commitment to ensuring that contract and procurement activities as well as materials management are conducted in a manner that ensures Quality, Service delivery, Reliability, Health, Safety and Environmental considerations, alignment with its business principles and ethics and compliance with relevant laws.

1.2 Policy Objective

The objective of the NSML Supply Chain Management Policy is to ensure:

- Best Value delivery
- Minimal associated risks
- Honest, competitive, fair and transparent transactions
- Protection of the reputation of Company
- Compliance with all applicable laws and regulations

1.3 Scope and Application

The NSML Supply Chain Management Policy applies to contract and procurement of all goods and services as well as materials management in NSML.

It is the responsibility of Contract Holders, Contract Owners, Contract and procurement Specialists, Category Leads, staff, Contractors, Suppliers and all those who do business with NSML to adhere to the requirements of this policy.

1.4 Policy Statement

NSML shall ensure:

- Value delivered is maximized by the company's supply chain through obtaining competitive commercial terms, specific work, materials, services and expertise that delivers business performance and competitive advantage to NSML.
- Orders for goods and services are placed according to its own judgment and criterion of selection having regard to such considerations as but not limited to price, quality, delivery periods, reliability of manufacturer and goods, HSE, Nigeria Content, regulatory compliance, after sales service and total cost of ownership.
- Freedom of Judgment as to what systems and processes and which contractors and suppliers it chooses, on the criteria (without limitation thereto) of technically advanced and sound design, economy of costs and operation, reputable character and quality, reliability and safety of performance, taking into account as well as any incidental advantages likely to accrue to NSML.
- Effective Contract and Procurement planning.
- Optimized Materials Management and stock holding at the most economic cost.
- Contracting and procurement of Goods & Services is undertaken in a transparent, commercially efficient, auditable and fair manner.
- Proactive Supplier Relationship based on respect, fairness, integrity and transparency to co-create value.
- Integrity in contract and procurement activities by adhering to business ethics in accordance with the NSML General Business Principles and Anti Bribery and Corruption Policy.
- Compliance with Nigerian Oil and Gas Industry Content Development Act (2010) and development of in-country capability and promote acquisition of technology by Nigerian businesses.
- Compliance with all applicable laws and NSML Policies.

1.5 Implementation

There are a number of approved procedures to implement, maintain and assure compliance with this policy. These procedures provide adequate guidance to manage the activities in scope under this policy. Compliance will be assured at all levels of the business by a monitoring and audit programme to ensure that the processes are being implemented.

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