AKULAND

*"Innovate. Invest. Grow."*

# RESPONSIBLE SOURCING & SUPPLIER DUE DILIGENCE POLICY

**Policy No.: AGL-PROC-006 | Version 1.0 | Effective: June 2026**

## 1.0 Purpose

This policy sets Akuland Group, its subsidiaries and affiliate's requirements for sourcing goods and services responsibly. It ensures our suppliers and partners uphold standards on human rights, labor, environment, anti-corruption, and business integrity that are consistent with our values and legal obligations across our seven business verticals.

## 2.0 Scope

Applies to all procurement activities, suppliers, contractors, agents, distributors, and joint venture partners providing goods or services to Akuland Group and its subsidiaries. It covers direct and, where feasible, sub-tier suppliers.

## 3.0 Principles

Akuand sources only from suppliers who:

1. Respect Human Rights: Prohibit child labor, forced labor, human trafficking, and discrimination in line with ILO Conventions and Nigerian law.
2. Operate Safely: Maintain safe and healthy working conditions and comply with applicable HSE laws.
3. Protect the Environment: Minimize environmental impact, manage waste responsibly, and comply with environmental permits and regulations.
4. Act Ethically: Prohibit bribery, corruption, fraud, and conflicts of interest. Comply with all applicable anti-bribery and sanctions laws.
5. Ensure Transparency: Maintain accurate records and allow reasonable audits and assessments.

## 4.0 Supplier Due Diligence Process

All suppliers undergo risk-based due diligence before onboarding and periodically thereafter.

Level 1: Basic Screening
Applies to all suppliers. Includes:

- Legal entity verification and beneficial ownership check,
- Sanctions, PEP, and adverse media screening.
- Confirmation of business registration and tax status

Level 2: Enhanced Due Diligence
Required for high-risk suppliers based on country, sector, transaction value, or services provided. Includes:

- Financial stability and credit checks
- Site visits or virtual assessments,
- Review of HSE, labor, and quality management systems,
- Review of sub-contracting arrangements

Level 3: Ongoing Monitoring
High-risk suppliers are re-screened annually and subject to periodic audits. Performance is tracked against KPIs for delivery, quality, safety, and compliance.

**5.0 Prohibited Practices**
Akuland will not engage with suppliers involved in:

1. Child labor, forced labor, or human trafficking.
2. Bribery, facilitation payments, or corruption.
3. Trade with sanctioned parties or jurisdictions without authorization.
4. Significant environmental violations or unlicensed operations,
5. Falsification of documents or records

**6.0 Conflict Minerals and High-Risk Materials**

For suppliers of tin, tantalum, tungsten, gold, and other minerals from conflict-affected areas, suppliers must:

1. Provide evidence of origin and chain of custody.
2. Demonstrate compliance with the OECD Due Diligence Guidance.
3. Allow independent third-party audits where required

**7.0 Contractual Requirements**

All supplier contracts must include:

1. A clause requiring compliance with this policy and applicable laws.
2. The right to audit and terminate for material breach,

3. Reporting obligations for incidents and grievances,
4. Confidentiality and data protection obligations

## 8.0 Supplier Development and Engagement

Where gaps are identified, Akuland will work with suppliers to develop corrective action plans with defined timelines. Persistent or willful non-compliance may result in suspension or termination.

## 9.0 Grievance and Reporting Mechanism

Workers, communities, and third parties affected by our supply chain can report concerns via:

1. Email: procurement.compliance@akulandgroup.com
2. Confidential hotline: +234-8097008500

All reports are investigated confidentially. Retaliation against good-faith reporters is prohibited.

## 10.0 Roles and Responsibilities

Procurement Department: Manage supplier onboarding, due diligence, and contract execution.

Legal & Compliance: Own policy, conduct high-risk reviews, investigate breaches.

HSE & Sustainability: Assess environmental and safety performance of suppliers.

Business Units: Ensure no contract is awarded without completed due diligence.

## 11.0 Recordkeeping

Records of supplier assessments, audits, corrective actions, and approvals are retained for a minimum of 7 years.

## 12.0 Review

This policy is reviewed every 2 years or when there are material changes to regulations, risk profile, or business operations.