

## PREFERENTIAL PROCUREMENT POLICY

### 1. Overview and Purpose

Consolidated Minerals Pty Ltd (**ConsMin** or **the Company**) and its Australian subsidiaries are committed to fair and equitable treatment of local and indigenous communities and support the opportunity to engage local and indigenous suppliers where practicable. ConsMin is also dedicated to developing a procurement strategy and adopting appropriate best practice contracting and procurement principles, policies, processes and procedures for all goods, services and works by ConsMin.

ConsMin's contracting, purchasing and contract management activities endeavour to:

- support ConsMin's corporate strategies, aims and objectives including, but not limited to, those related to sustainability, protection of the environment, and corporate social responsibility;
- achieve value for money and quality in the acquisition of goods, services and works;
- be conducted, and be seen to be conducted, in an impartial, fair and ethical manner;
- seek continual improvement including the embrace of innovative and technological initiatives such as electronic procurement processes to reduce activity cost; and
- support business in the local and indigenous community.

The Company strongly encourages local and indigenous participation in tenders and quotes for the supply and delivery of goods and services to the Company, thereby investing in the communities in which the Company operates.

### 2. Policy

ConsMin commits to the following principles:

- adoption of a safe and culturally aware environment when engaging and/or doing business with local and indigenous suppliers;
- promotion of an open, fair, consistent, competitive, cost-effective and transparent procurement process;
- never compromising on health, safety, environmental, commercial, quality and service standards; and
- dedication of the Company's executives and management to the essence of this policy.

### 3. Criteria for Evaluating Suppliers

ConsMin uses objective criteria for evaluating suppliers and awarding business. These criteria include, but are not limited to:

- commercial performance;
- administrative performance;
- price;
- delivery and cycle time;
- use of local suppliers within the community;



- responsiveness;
- positive empowerment and cultural awareness;
- business management;
- quality of goods and services;
- health, safety and environmental compliance;
- adherence to conflict of interest guidelines and laws; and
- corporate governance.

Whilst ConsMin makes every effort to engage local and/or indigenous suppliers, the objective criteria referred to above remain a critical factor in procurement decisions.

#### **4. Conflict of Interest**

Directors, stakeholders and employees of the Company and any external procurement consultants shall at all times act in compliance with the conflict of interest requirements in this Preferential Procurement Policy.

In particular, Directors, stakeholders and employees of ConsMin and any external procurement consultants shall:

- avoid situations in which private interests conflict, or might reasonably be thought to conflict, or have the potential to conflict, with their performed duties;
- not participate in any action or matter associated with the arrangement of a contract (i.e. evaluation, negotiation, recommendation, or approval), where that person or any member of their immediate family has a significant interest, or holds a position of influence or power, in a business tendering or quoting for ConsMin work;
- note that the onus is on the individual involved being alert to and promptly declaring an actual or potential conflict of interest to ConsMin. Any actual or potential conflict of interest identified by ConsMin staff and any external procurement consultants as part of any procurement process must be declared to Directors and stakeholders; and
- adhere to the Company's Code of Conduct for Directors and Key Officers.

#### **5. Best Practice**

The elements of best practice applicable to developing a procurement strategy for ConsMin are:

- broad principles covering ethics, value for money, responsibilities and accountabilities;
- guidelines giving effect to those principles;
- a system of procurement authorisation limits (ie the authorisation of officers to approve and undertake a range of functions in the procurement process);
- procurement processes, with appropriate procedures covering minor, simple procurement to high value, more complex procurement; and
- a professional approach.

#### **6. Modern Slavery**

ConsMin is committed to open, fair and transparent procurement, logistics and supply chain



functions. The Modern Slavery Statement, developed in accordance with commonwealth laws, forms an integral part of the Company's code of conduct and is adhered to at all levels of the business.

## **7. Related Documents**

Code of Business Conduct

Contracts and Procurement Performance Standard

Procurement and Inventory Performance Standard

Code of Conduct

Modern Slavery Statement