



## MANAGEMENT APPROACH

# Procurement

**NCIG is committed to acting ethically and with integrity across all our business dealings and relationships. We aim to make purchasing decisions that meet our operational needs while minimising the social and environmental impacts of the goods or service being procured. We also want to make a substantial economic contribution to the prosperity of our local region by giving preference to local businesses where feasible and within our procurement guidelines.**

NCIG’s suppliers are a critical part of our operations, and we recognise that our procurement choices can create impacts on and value for our local community. We are committed to sustainable and ethical procurement of goods and services, and to local sourcing, with many of our critical supply partners based in Newcastle and the Hunter Region.

We aim to source as much as possible from local businesses with many of our critical supply partners based in Newcastle and the broader Hunter Region. Local procurement for NCIG means the purchase of goods and services from businesses that have a local office in the Local Government areas of Newcastle, Port Stephens, Lake Macquarie, Maitland, Dungog, Muswellbrook, Upper Hunter, Singleton, Cessnock and Central Coast. It excludes utilities (water and electricity), taxes, licences, fees, interest, and other governmental charges.

### GOVERNANCE

The NCIG Board oversees strategic and sustainability-related decisions, including procurement, and reviews monthly sustainability reports from management covering performance metrics, incidents, and compliance.

### RISK MANAGEMENT

The Executive Leadership Team (ELT) is responsible for strategy implementation and risk management, with the Commercial Team managing day-to-day procurement performance. Risks are reviewed annually, and Risk Control Action Plans (RCAPs) are put in place to manage materially high risks.

### METRICS & TARGETS

The ELT establishes goals every three years aligned with strategy and budget cycles. Performance is tracked using relevant legislated, industry, and global sustainability metrics. For procurement, we track the total spend and the percentage of expenditure spent locally.

### COMMITMENT

We contribute to local economic prosperity through local procurement.

### GOAL

To support our local economy and prosperity.

### FY27 TARGET

70% of total expenditure spent locally.



# Procurement

### SYSTEMS AND PROGRAMS

#### Procurement Policy and Procedure

Our Procurement Policy and Procurement Procedure sets the key objectives and principles to be followed with every procurement activity. It ensures NCIG procurement is performed with good governance, ethically, appropriate risk management, and offering best value for NCIG.

#### Selection criteria

NCIG has always preferred to source locally where feasible and within criteria boundaries. Our pre-tender identification process considers local businesses, and our tender evaluation process weights local businesses favourably. An evaluation criteria is selected for each engagement taking into consideration the specific needs of each purchase, including technical requirements, supplier capability, and commercial outcomes.

#### Modern Slavery

NCIG is part of a global value chain, and we acknowledge we are potentially exposed to modern slavery risk. We have an obligation to effectively manage this risk, which involves implementing effective systems and controls to ensure modern slavery does not occur in our business.

We aim to uphold the Modern Slavery Act 2018, which requires prescribed businesses to prepare due diligence measures to combat slavery in their supply chains. We believe that we take appropriate steps to reduce and mitigate the impacts of modern slavery within our supply chain. We have incorporated modern slavery provisions into our contracts and procurement documentation.

Our Modern Slavery Policy outlines the expectations we have of our employees and details the actions that are to be taken in the event of the identification of modern slavery within our business processes.

We have developed modern slavery risk profiles of our suppliers using specific criteria based on their sector and location of operations. For higher-risk suppliers, we evaluate the direct risks that are most relevant within our Australian supply chain, their employee conditions and the potential for other material risks further upstream.

Our annual Modern Slavery Statement, which can be found on our website, outlines the progress we have made during each year and identifies future actions that aim to increase internal awareness of modern slavery risks across the business. NCIG's Annual Modern Slavery Statement is approved by the NCIG Board and submitted to Australian Border Force in accordance with the requirements of the Modern Slavery Act 2018.

#### Supplier reviews

We conduct regular collaborative contract reviews with our supervisors and suppliers. We also conduct supplier risk reviews to understand the upstream procurement policies and practices of our suppliers.

### TRAINING AND COMMUNICATION

We provide training for relevant business leaders, particularly those involved in procurement and supply chain management.

### REPORTING

We publicly report our procurement performance in our annual Sustainability Report and in our bi-annual ESG scorecards on our website.

