



MANAGEMENT APPROACH Procurement



COMMITMENT

We contribute to local economic prosperity through local procurement.

GOAL

To support our local economy and prosperity.

FY24 TARGET

To spend 70% of total expenditure locally.

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.

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 Hunter and Central Coast regions.

Local procurement for NCIG means the purchase of goods and services from businesses that have a local office in the in the Local Government Authorities 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.

SYSTEMS AND PROGRAMS

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. We have recently begun investigating options that would allow us to have more deliberate choice points that take social and environmental impacts into consideration.

Modern Slavery

NCIG is part of a global value chain, and we acknowledge we are potentially exposed to modern slavery risks. 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 outlines the progress we have made during each year and identifies future actions. Our annual Modern Slavery Statements can be found on our website in the Policies and Reports section.

Supplier reviews

We conduct routine quarterly update meetings and regular collaborative contract reviews with our 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.

MANAGEMENT

Day-to-day management of our procurement activities is overseen by NCIG's Commercial team. Performance and progress against our procurement goal and FY24 target is overseen by our Executive Leadership Team and by the NCIG Board.

MEASURING OUR PROGRESS

We measure our progress by monitoring and reporting our procurement performance statistics through our monthly business scorecard, which is overseen by the Executive Leadership Team. The scorecard tracks the amount of local spend as a percentage of total spend.

REPORTING

We report our performance and progress regarding procurement in our annual Sustainability Report, which is available on our website.

