

Background

Broadspectrum Limited (**Broadspectrum**) is a public company, listed on the Australian Securities Exchange. Broadspectrum seeks to provide simple, consistent and cost effective procurement committed to responsible corporate governance including ensuring appropriate processes are in place to promote a strategic, sustainable and ethical approach to procurement.

Broadspectrum reputation for acting responsibly plays a critical role in the Company's success as a business. As a result, the responsibility of the Company's Procurement function is taken seriously at each stage of the procurement process.

This Group Procurement Policy supports the [Code of Business Conduct](#), [Risk Management and Compliance and Governance Framework](#). References in this Policy to Broadspectrum include its related entities.

Purpose of this policy

The purpose of this Policy is to outline Broadspectrum's strategic, operational, ethical and sustainable approach to the procurement of goods and services in all countries within which it conducts business.

Scope

This Policy applies to all Broadspectrum:

- directors, officers, employees, consultants and contractors ("Employees" for the purpose of this Policy);
- suppliers and subcontractors;
- wholly owned subsidiaries and majority-owned operations in all countries in which Broadspectrum operates. Where Broadspectrum has a minority interest in an operation, it takes appropriate steps to ensure that business operations are conducted in a legal and ethical manner.

Key Principles

There are 5 key procurement principles which must be followed by all Broadspectrum Employees:

1. All Procurement activities must be conducted in an ethical, safe and sustainable manner
2. Competitive quotes must be obtained prior to making any purchase. Further details can be found within the [Group Procurement Business Rules - Sourcing](#)
3. All activities must be governed by appropriate contractual terms which clearly document the elements of scope, price and risk. Further details can be found within the [Group Procurement Business Rules - Contracting](#)
4. All spend must be approved/authorised within SAP prior to being incurred. Further details can be found within the [Group Procurement Business Rules - Purchasing](#)
5. Receipt of goods and/or services must be confirmed within SAP as soon as they have been provided in accordance with the order and paid to the agreed terms. Further details can be found within the [Group Procurement Business Rules - Purchasing](#)

Strategic Approach to Procurement

Broadspectrum Procurement function is to ensure the right goods and services are delivered safely, to the right location, at the right time and at a commercially sustainable cost. To achieve this, Broadspectrum collaborates with its internal stakeholders to align strategies and continuous improvement initiatives. Broadspectrum aims to deliver long term value for its customers by leveraging supplier relationships and effective contract management.

Broadspectrum recognises that significant benefits can be achieved through sourcing products and services locally. The Company is committed to working with diverse, underutilised and other local community suppliers to ensure that they have opportunities to supply its operations in a sustainable manner.

Operational Approach to Procurement

Broadspectrum strives to maximise operational benefits by engaging with suppliers capable of delivering quality goods and services safely, efficiently and within budget.

All commitments for goods and services must be made:

- through the Company's authorised systems and using its processes and procedures, including those set out in the Group Procurement Manual. The Group Procurement Manual is an internal document which sets out the procedures associated with Master Data, Sourcing, Contracting, Purchasing and Supplier Management;
- in accordance with contractual, legal and regulatory obligations; and
- in a planned manner to ensure procurement is in accordance with specifications.

Ethical and Sustainable Approach to Procurement

The [Code of Business Conduct](#) is used to promote an ethical and environmentally sound approach to procurement. This is demonstrated by the way the procurement function approaches the following:

Human Rights

Human rights are fundamental rights, freedoms and standards of treatment to which people are entitled. Broadspectrum recognises that sovereign states have a primary duty to protect and uphold human rights and corporations have a responsibility to respect human rights by actively seeking to avoid abuses from the conduct of business activities;

Broadspectrum requires suppliers to support human rights throughout their entire supply chain in order to ensure legal and ethically sourced goods and services have been procured. To support the achievement of these standards, suppliers are required to comply with specific procurement requirements which include:

- abiding by all applicable laws and regulations including but not limited to international labour conventions and national employment laws;
- complying with Broadspectrum Code of Business Conduct together with related policies;
- allowing Broadspectrum to verify compliance and to take appropriate steps if a human rights risk is identified; and

- allowing Broadpectrum to terminate the arrangement if the supplier fails to comply with the procurement requirements.

Broadpectrum is committed to zero tolerance of child labour, forced or inhumane labour.

Gifts, Discounts and Hospitality

Gifts, discounts or hospitality (including customer travel and accommodation) must be dealt with in accordance with the requirements of Broadpectrum [Anti-bribery and Corruption Policy](#) in order to ensure independent business judgement is not impaired nor seen to be impaired, particularly in connection with an anticipated or pending business transaction or regulatory approval.

Bribery and Corruption

Broadpectrum does not tolerate any form of bribery or corruption whether or not permitted by local law and regardless of differing business practices in countries in which Broadpectrum conducts business.

Bribery and corruption involves the misuse of position and influence in return for improper advantage, undermining integrity and fairness in the marketplace. Broadpectrum aims to comply with all applicable anti-bribery and corruption laws in countries where it operates. Wherever there is a conflict between Broadpectrum Anti-bribery and Corruption, this Policy and local law, Broadpectrum will comply with the higher standard.

Fair Competition

Broadpectrum is committed to the principles of free and fair competition.

Employees, and agents are expected to ensure certain arrangements for the supply of goods and services are consistent with the requirements of Broadpectrum [Fair Competition Policy](#).

Environment

Excellence in environmental performance is essential to Broadpectrum business success. The Company manages environmental risks through Group wide [standards](#), strategies, targets and systems.

Broadpectrum endorse a responsible environmental management approach which seeks to eliminate environmental incidents, minimise waste and utilise resources responsibly.

Safety

The purchasing, hiring and leasing of plant, equipment, materials and substances has the potential to introduce hazards and risks into the working environment. Because of this, it is the policy of Broadpectrum to minimise risk to occupational health, safety and the environment throughout the purchasing, hiring, leasing and tendering processes.

When doing business with Broadpectrum, contractors and suppliers are expected to support a safe and healthy workplace by complying with Broadpectrum Health and Safety standards.

Supplier Diversity

Supplier diversity promotes the purchase of goods and services supplied by economically excluded and marginalised groups.

The ideals of diversity and inclusion are closely aligned to our core values.

Broadpectrum is well placed to forge innovative partnerships and foster mutually beneficial relationships with diverse suppliers. The Company will continue to explore opportunities to better develop and integrate its supplier diversity strategy, with the goal of becoming a leader in supplier diversity across the industries in which Broadpectrum business operates.

Sustainable Procurement and Innovation

Broadpectrum procurement approach involves building on long term (sustainable) relationships with its suppliers. Broadpectrum approach to long term relationships involves continually improving Broadpectrum environmental, social and economic performance within its supply chain. Sustainable procurement can help minimise environmental impacts, support Broadpectrum corporate social responsibility and reduce overall operating costs.

Broadpectrum actively seek to negotiate contracts that specifically include sustainability requirements resulting in more appropriate choices for its business.

Sustainable procurement practices can be demonstrated by:

- including strategies that reduce demand or unnecessary consumption and end-of-life disposal;
- considering future sustainability issues and policies in the planning process (such as higher energy costs and energy intensity targets);
- encouraging sustainable solutions and innovation in tenders; and
- measuring and improving sustainability throughout the procurement lifecycle.

Training and Communication

Broadpectrum regularly communicates this policy to employees across Broadpectrum through its established communication channels. Employees will also receive regular training on supporting this Policy in the scope of their employment with Broadpectrum.

Consequences for Breach of the Policy

Breach of this Policy by Employees could:

- Expose the Company and Employees to civil liability (a financial penalty and liability for damages, especially as a result of anti-competitive behaviour, bribery and corruption which are very serious offences under local and international laws;
- Expose the Company to significant reputation damage;
- Lead to disciplinary action, including termination of employment or contract; and/or
- Lead to legal proceedings by the Company against an Employee.

Review of this Policy

The Executive General Manager Procurement is responsible for keeping this policy up to date. A formal review of this Policy takes place annually.

Related Documents

This Policy should be read in conjunction with Broadpectrum' other documents including:

- [Anti-bribery and Corruption Policy](#);
- [Business Partners Policy](#);
- [Code of Business Conduct](#);

GROUP PROCUREMENT POLICY

TMC-0000-SC-0001



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- [Delegation of Authority Procedure](#);
 - [Fair Competition Policy](#);
 - [Group Procurement Manual](#); and
 - [Health, Safety and Environment Policy](#).

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