

## 1 Policy Statement

All procurement activities undertaken on behalf of AAL is required to demonstrate that the spending is conducted in an honest, competitive, fair and transparent manner that achieves the best value for money and protects AAL's reputation. Goods and services procured must be fit for purpose and sourced in a socially and ethically responsible manner, and take into account required specifications, quality, service, delivery, reliability, probity, and the Total Cost of Ownership (TCO).

## 2 Policy Scope

This policy describes the broad framework and fundamental principles applicable to the procurement of all third party supplied goods, services and capital projects at Adelaide and Parafield Airports (AAL). It provides direction for an integrated and consistent approach for carrying out all procurement activity in order to:

- Drive consistency in procurement activities;
- Demonstrate process and accountability to suppliers and stakeholders; and
- Outline ethical expectations and procurement best practice.

This policy applies to anyone employed or engaged by AAL including employees (whether permanent, fixed term or temporary), contractors, secondees, management staff, agents etc. Suppliers should read this policy in conjunction with AAL's Supplier Code of Conduct.

## 3 Policy Objectives

We aim to balance the economic, social, and environmental factors in all procurement activities, and seek to engage with suppliers who share our commitment under the following Policy Objectives.

### **Ethical Practises, Probity, Compliance and Professional Integrity**

AAL upholds high standards in business conduct and ethical behaviour throughout its operations and supply chains, therefore AAL employees:

- Deal with suppliers who comply with applicable laws and regulations in particular to those relating to modern slavery.
- Review and may cease dealing with any supplier or contractor who is found to have acted unethically or illegally.
- Be aware, accountable, and responsible for all our actions and will act in accordance with AAL's Code of Conduct in a lawful, fair, transparent, and ethical manner with all suppliers and contractors.
- Consider and deal with any serious or sensitive concerns about wrongdoings or malpractice (whistleblowing) in the organisation.
- Ensure processes are conducted in accordance with appropriate probity principles and procurement best practice.
- Ensure Cyber Security checks were performed for the applicable Procurement activities.
- Ensure all procurement activities occur in accordance with the relevant Delegation of Authority.
- Contracts to be utilised for critical, high risk, high expenditure. Contracts must be drafted using the standard AAL legal contract templates.

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- Deploy clear ownership, roles and appropriate segregation of duties of contract management and procurement activities to maximise the benefits for AAL.
- All Strategic Sourcing and Procurement commitments to be transacted by Purchase Order in accordance with the AAL Delegation of Authority **prior** to delivery of the goods or services unless exempt on the authorised non-PO supplier listing i.e utilities or govt charges etc. or emergency service.

## Value for Money

AAL employees or representatives engaged in any procurement activity shall always pursue the objective of value for money and be able to demonstrate that value for money has been obtained. In practice, this means:

- Ensure procurement objectives are clearly defined, understood, and aligned with corporate objectives.
- Focus on business needs and minimise unnecessary expenditure where possible.
- Consider best value-for-money for a product or service over its entire lifecycle.
- Seek more efficient alternatives for the goods and services we procure.
- Allow for innovation and technological improvements.
- Strive for continuous improvements.
- Adopt a value and risk approach to guide activities throughout the procurement process.
- Develop strong, collaborative and where possible, long-term partnerships with suppliers, subcontractors, and other stakeholders.

## Open, Fair and Effective Competition

AAL procurement activities foster a competitive and innovative business environment to drive opportunities, therefore AAL procurement representatives will:

- Ensure open, fair, and effective competition.
- Ensure the supply market has fair and equitable access to offer solutions, and demonstrate value, to meet our procurement requirements.
- Adopt strategies that improve productivity, competitiveness, innovation, and capacity building.
- Provide meaningful feedback to business and industry in relation to responses, performance, and competitiveness.
- Ensure appropriate delegations and controls are established and followed to instil confidence as to the accountability and efficiency of procurement activities.
- Ensure appropriate levels of record keeping and documentation are maintained to justify and ensure transparency of the decision-making process.
- Apply the appropriate level of risk management within the procurement process by identifying, recording, and proactively managing and mitigating the risk.

## Health and Safety

AAL is committed to pursuing a high standard of health and safety throughout its operations and strives for continual improvement of health and safety:

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- Health and safety to be considered in all procurement decisions, and it is expected AAL suppliers and contractors will comply with relevant safety laws, regulations, standards, performance expectations and the AAL Australia Work Health and Safety Policy.
- Everyone must be involved to ensure a safe workplace, this includes AAL employees, suppliers, and contractors.

## Sustainable Procurement

AAL is committed to integrating sustainable principles and practices into the procurement of goods and services. In practice, this means:

- Make efficient and effective use of resources.
- Deal with certified sources/suppliers where possible.
- Decrease the demand for non-renewable resources where possible.
- Ensure sustainability in sourcing, purchasing, supply chain, logistics, operations etc.

## Corporate Social Responsibility

AAL considers the social and environmental impacts of procurement activities – this includes:

### Social:

- Respect human rights, encourage fair labour practices and work with suppliers to ensure slavery and human trafficking are not taking place anywhere in the supply chains. AAL's Code of Conduct reflects its commitment to act ethically and with integrity in all business relationships.
- Consider the impacts of our procurement decisions on communities and strive to support community involvement through local employment and skills development.
- Encourage and embed diversity and inclusion into supply chain.

### Environmental:

- Expect suppliers to comply with relevant sustainability and environmental legislation, regulations, standards, performance expectations and the AAL Environment Policy.
- Promote the use of energy and water efficient products.
- Encourage suppliers to continually improve their sustainability practices and environmental performance outcomes.
- Consider procurement of goods and services that have the least adverse impact on the environment and human health over their entire lifecycle.
- Consider strategies that minimise waste and where possible aim to avoid, reduce, reuse, or recycle goods and/or services.

## Modern Slavery Regulations

AAL is committed to combatting Modern Slavery practices in its supply chains and its business operations and promoting practices to identify and reduce the risk of such practices when working within its local and international communities.

Preference would be given to the suppliers who:

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- have submitted (if required) a modern slavery statement in accordance with either the Modern Slavery Act 2018 (Cth) (once enacted) or overseas equivalent, where such documentation evidence a strong commitment to addressing Modern Slavery.
- provide transparent, complete, and accurate information in relation to their supply chains where requested by AAL.
- comply with, and request that their supply chains comply with, all relevant labour and anti-slavery laws and standards in the supplier's countries of operation.
- provide transparent, complete and accurate evidence of existing policies, procedures, training, and systems for the purposes of complying with laws and standards.
- are otherwise considered by the relevant assessing staff member to have a lower Modern Slavery risk profile, as determined by AALs Modern Slavery Risk Assessment Process.

In achieving these objectives, procurement at AAL must:

- Be conducted in an impartial, fair and ethical manner;
- Comply with legislation, corporate policies and other procedural requirements; and
- Comply with AAL's Delegation of Authority Policy.

## 4 Related Procedures

- Procurement Procedure
- Sourcing Procedure
- Contract Management Procedure
- Corporate Social Responsibility Policy
- Supplier Code of Conduct
- Code of Conduct Policy
- Whistleblower Policy
- Gift and Benefits Policy
- Delegation of Authority Policy
- Risk Management Policy
- Modern Slavery Guidelines
- Sustainable Procurement Guidelines
- Various Finance Policies and Procedures

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