
SUPPLY CHAIN SUSTAINABILITY PLAN

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Table of Contents

Table of Contents	3
1. Introduction	1
2. Purpose	1
3. Reference Documents	1
4. Legal and other requirements (multi-jurisdiction).....	1
5. Procurement Policy	3
6. Sustainable procurement.....	4
7. Diversity	5
8. Support of Local Business.....	5
9. Apply a Consistent and Standard Approach.....	5
10. Build and Maintain Supply Relationships	5
11. Modern Slavery Compliance	6
12. Auditing	6
Internal Audits	6
Contractor/supplier Internal Reviews.....	6
External Audits.....	6
13. Managing and monitoring Supplier performance	7
14. Training	7

Version Control

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02	April 2020	Updated to include safety and environmental checks when purchasing equipment	Ben Cook – National WHSE Manager
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1. Introduction

Higgins Coatings Pty Ltd is totally committed to delivering services to our customers in meeting the highest standards of Work Health and Safety (WHS), Quality, Environment and Sustainability.

The procurement of products and services purchased, hired leased or divested by Higgins Coatings must meet Higgins Coatings procurement and sustainability policy and procedures documented throughout this plan.

2. Purpose

This Policy outlines the obligations to ensure consistent procurement practices across Higgins Coatings and defines our approach to purchasing. The procurement of goods, services and capital projects account for a significant percentage of Higgins Coatings' expenditure. Higgins Coatings recognises the impact its purchasing activities have on the financial, social and environmental health of Higgins Coatings and the broader community. The purpose of this policy is to establish a more strategic approach to procurement involving greater management and oversight, and better coordination and integration of activity across Higgins Coatings.

This Policy establishes the directions that must be implemented relating to the procurement of goods and services by Higgins Coatings. Higgins Coatings is required to implement and maintain an effective internal control framework over procurement activities.

3. Reference Documents

- IMS-MAN-001 Integrated Management System manual
- IMS-PRO-014 Purchasing and procurement Procedure
- IMS-PRO-049 Waste Management and Recycling Procedure
- IMS-PRO-045 Methods of Disposal of Empty Containers and Excess Paint Procedure
- IMS-PRO-042 Land Management Procedure
- IMS-POL-003 Environment Policy
- AS/NZS ISO 9001:2015 Quality Management System
- AS/NZS ISO 14001:2015 Environmental Management System

- Modern Slavery Act 2018 (Cth)

4. Legal and other requirements (multi-jurisdiction)

Higgins Coatings operates across multiple Australian states and territories. Procurement activities must therefore comply with all applicable Commonwealth, State/Territory and local government legal requirements for the location where work is performed and/or where goods are supplied, stored, transported or used. Where a requirement differs between jurisdictions,

Higgins Coatings will apply the higher standard (unless a contract or law requires otherwise) and will maintain evidence of compliance.

Compliance area	What this means for procurement (minimum controls)	Evidence to obtain/retain
WHS (state/territory WHS laws)	Prequalify contractors/suppliers based on WHS capability; require safe systems of work for higher-risk services; ensure plant/equipment supplied is safe and fit for purpose; require incident notification and cooperation with site rules.	Supplier WHS documentation as applicable (e.g., insurances, SWMS/JSA where relevant, licences/competencies, maintenance/inspection records).
Hazardous chemicals (GHS/SDS)	Before purchasing chemicals (e.g., paints, thinners, solvents), ensure correct classification, labelling, and safe handling/storage requirements are known and can be met at the receiving site.	Current Safety Data Sheet (SDS); product label details; any required approvals or restrictions; storage/segregation requirements.
Plant/equipment safety	Confirm guarding, noise and manual handling risks are considered; only purchase/hire equipment that includes manuals and maintenance requirements; set expectations for servicing and defect reporting.	Manuals; servicing/maintenance documentation; inspection records; supplier declaration of conformity where relevant.
Electrical safety	Ensure electrical equipment supplied meets applicable standards and is appropriate for the site environment; require inspection/testing where required for portable equipment.	Supplier specifications; test/inspection records where applicable; electrical compliance documentation as required.
Environment & waste (state/territory EPA laws)	Include disposal/recycling requirements in scopes; ensure suppliers handle and dispose of regulated wastes lawfully; require spill/pollution prevention for deliveries and on-site works.	Waste tracking/disposal receipts where required; evidence of licences/permits where applicable; environmental method statements for higher-risk works.
Modern slavery	Screen suppliers for modern slavery risk proportionate to spend and risk profile; include contractual commitments and audit/cooperation rights; maintain a process for raising concerns and remediation.	Supplier declarations; risk assessments; audit outcomes; corrective action records; modern slavery training records for relevant roles.
Australian Consumer Law / product claims	Require environmental/social claims (e.g., "eco-friendly", "low VOC") to be substantiated; avoid overstated claims in purchasing and supplier communications.	Certificates, test reports, product data sheets, or other verification supporting claims.
Privacy & data security (where personal info is collected)	Where suppliers access or process personal information, ensure appropriate confidentiality, access controls, and breach notification obligations are included in contracts.	Signed contract clauses; supplier security assurances where relevant.

5. Procurement Policy

Purpose

Higgins Coatings Pty Ltd (Higgins) Procurement Policy outlines the obligations to ensure consistent procurement practices across the business and defines our approach to purchasing.

The procurement of goods, services account for a significant percentage of Higgins Coatings expenditure. Higgins Coatings recognises the impact its purchasing activities have on the financial, social and environmental health of the business and the broader community. The purpose of this policy is to establish a more strategic approach to procurement involving greater management and oversight, and better coordination and integration of activity across the business.

This Policy establishes the directions that must be implemented relating to the procurement of goods and services by Higgins Coatings.

Higgins Coatings is required to implement and maintain an effective internal control framework over procurement activities.

Scope

This Policy applies to the acquisition of all goods and services by Higgins Coatings staff, employees or contractors either purchased or hired or leased from vendors, for and on behalf of Higgins Coatings.

Policy Implementation

Sustainable outcomes will be achieved through the adoption of a systematic process of engaging suppliers and service providers through the IMS that directly reflect the social and environmental responsibilities of Higgins to existing customers, potential customers and other authorities. This policy will be achieved through the unified approach of all employee and contractors within the company who are individually responsible for the quality of their work, resulting in a continually improving standard of quality throughout the company.

To achieve and maintain the required quality standards the CEO retains responsibility for the IMS with the development and running of the systems controlled by the National Operations Manager. Higgins will continually develop and enforce policies, procedures and practices in line with the Quality Standard ISO 9001:2015.

Objectives

The objectives of the Procurement policy:

- a) To ensure due diligence when engaging service providers to meet this policy
- b) To ensure product and service providers act responsibly in sourcing products materials and services to avoid pollution and impact on their carbon footprint;
- c) Monitor and review suppliers and contractors in the supply chain to maintain compliance with this policy

Conflicts of interest - any procurement decisions must be free from conflicts of interest and consistent with Higgins Coatings' internal controls. Any known conflict of interest or relationship to suppliers must be declared and documented and managed prior to award.

6. Sustainable procurement

Higgins Coatings is committed to adopting a 'Green' Procurement approach by supporting the principles of sustainable Procurement within the context of purchasing on a Value for Money basis. This includes consideration of environmental and safety factors during the life cycle when buying or hiring machinery, equipment and consumable. Factors to consider include: correct guarding on equipment and tools, weight of products to reduce manual handling issues, appropriate noise controls on equipment, waste minimization and ability to recycle, and sourcing green alternatives to hazardous substances.

Higgins Coatings encourages the purchase of environmentally preferable and socially responsible products through applying the price preference of 10% in line with the procurement budgets for each division and region

Value for Money purchasing decisions made by the Council are made on the basis of cost and non-cost factors including contribution to Higgins Coatings sustainability objectives.

Higgins Coatings will therefore Reduce, Reuse, and Recycle.

Higgins Coatings is committed to reduce resources, consumption and minimise waste during the procurement cycle including:

- Encourage and prefer Eco-friendly products which are more power efficient such as lighting, electrical appliances (paint sprayers, pressure washers)
- Preference purchasing from a source which is less polluting or uses clean technology

Higgins Coatings procurement projects should automatically consider the provision of re-use and recycling as part of any project planning process, including the consideration of whole-life costs and disposal considerations.

Buy Recycled:

Higgins Coatings is committed to buy recycled/part recycled products to optimise consumption and stimulate demand for recycled products, promoting the collection and reprocessing of waste and working towards zero discharge to the landfill.

'Green' the Supply Chain:

Higgins Coatings shall encourage suppliers to adopt good environmental practices. Higgins Coatings will actively promote green procurement throughout its supply chain and ensure selection which has minimum environmental impact, balancing this against value for money. Eg. Hire electric EWP's instead of diesel.

Other Safety and other Environmental Factors to be Considered

When purchasing new equipment, materials or services, manager will consider not only the above factors, but also consult with the National WHSE Manager to review and assess the safety and environmental aspects of the purchase. This will include ensuring that Safety and Environmental legislation and ISO, AS/NZ Standards are adhered to and considered.

Minimum compliance checks for purchases/hire (in addition to business requirements):

- Hazardous chemicals: obtain current Safety Data Sheets (SDS) and confirm the receiving site can comply with storage, segregation and handling requirements.
- Plant/equipment: confirm guarding and safety features are in place, manuals are provided, and maintenance/inspection requirements are understood and can be met.

- Electrical equipment (where applicable): confirm electrical compliance documentation and inspection/testing expectations for portable equipment used on sites.
- Waste and disposal: where regulated waste may be generated (e.g., solvents/paint waste/containers), confirm lawful disposal pathways and retain disposal evidence where required.
- Environmental and sustainability claims: require suppliers to substantiate claims (e.g., "eco-friendly", "recycled content", "low VOC") with credible evidence such as test reports, product data sheets or certifications.

Examples of other factors considered are noise minimisation, weight of items for lifting, size of items for transportation and storage, ease of cleaning, maintenance requirements, product minimises waste, degree of hazardous substances in the product, such as purchasing low VOC products.

7. Diversity

Higgins Coatings recognises promotion of equality through procurement can improve competition, Value for Money, the quality of services, satisfaction among users, and community relations. It should be a consideration in every procurement project and reflect corporate commitment to diversity and equal opportunities wherever possible.

8. Support of Local Business

Higgins Coatings has adopted a strategy to enhance each locality in which it operates to provide economic viability through the efficient use of community resources.

The overriding principle of procurement activity remains achieving best value for money. In this context, however there are positive actions that can be taken to provide opportunities for local businesses and support the locations economy.

9. Apply a Consistent and Standard Approach

Higgins Coatings will provide effective and efficient commercial arrangements for the requisition of goods and services and apply a national standardised approach in doing so.

10. Build and Maintain Supply Relationships

Higgins Coatings recognises that in order to achieve sustainable value, appropriate relationships must be developed and maintained with suppliers and that it seeks to operate with 'informed choice' on what supply strategy it adopts

11. Modern Slavery Compliance

Higgins Coatings will comply with the Modern Slavery Act 2018 (Cth). Where Higgins Coatings meets the reporting threshold or is otherwise required to report, this will include preparing an annual Modern Slavery Statement and maintaining relevant action plans. Higgins Coatings will apply a risk-based approach to supplier due diligence (e.g., by spend, category, geography and labour risk) including periodic review and, where appropriate, audits of higher-risk suppliers. New suppliers and contractors are required to acknowledge that they comply, and will continue to comply, with applicable modern slavery requirements.

The HR team and the National Operations Manager are responsible for coordinating modern slavery due diligence activities and, where required, preparing and submitting an annual Modern Slavery Statement in accordance with Commonwealth requirements.

12. Auditing

Internal Audits

As part of continuous improvement processes and due diligence, audits of Higgins Coatings procurement processes shall be conducted at regular intervals. Audits can be conducted by any responsible person such as a Project Manager, Branch Manager or visiting Head Office Manager.

An appropriate audit tool shall be used to benchmark the procurement process against any relevant standards or regulations specific to the works being conducted. The **Procurement Inspection Audit Tool (HC-008)** will be used for all internal audits conducted.

The results of any audit shall be communicated to the site personnel and in particular the procurement contract manager and any non-conformances addressed at the time of the audit.

Should any non-conformances have a potential impact on the sustainability of the supply chain, the contract Manager shall make contact with the supplier to communicate the non-conformance and any impacts. Corrective actions will be entered into HOW Incident and responsible persons allocated prioritised tasks for rectification.

Contractor/supplier Internal Reviews

The Operations Managers are required as part of their role and responsibilities to conduct formal, documented quarterly reviews of each service provider, contactor and supplier.

The key criteria reviewed includes:

- Material /product origin and percentage of local content including packing and labour used
- Price
- Service options
- Safety and environmental performance over past 2 years

These reviews are documented in the HOW system.

External Audits

The intention of the Supply chain sustainability plan is to be meet or exceed the various commonwealth state, local government and stakeholders (including clients) standards. Should a key stakeholder require Higgins Coatings to participate in a third-party audit, contact with the Higgins Coatings procurement/contract manager should be conducted.

13. Managing and monitoring Supplier performance

Higgins Coatings will manage and monitor Supplier performance where there is high relative expenditure and/or difficulty in securing supply or where the supply is part of an agreed tender.

By managing and monitoring Supplier performance, Higgins Coatings will aim to:

- reduce transaction costs and vendor volume;
- contribute to effective risk management by compiling a risk profile of vendors;
- build cooperative relationships with Suppliers and therefore improve Supplier and purchaser performance;
- assist in developing Supplier capability (e.g. ability to meet delivery of painting/building projects); and
- seek to ensure that Higgins Coatings continues to get value from the Supplier's performance.

Before establishing a supplier agreement or contract, Higgins Coatings will:

- develop a robust specification that properly analyses its needs and clearly defines the outcomes desired for the purchase including any necessary milestones;
- identify the contract manager;
- establish key performance indicators (KPIs) for the purchase, where required;
- refer to past Supplier performance records; and
- develop a contract, seeking input from the successful offeror (where appropriate) on periodic contract reviews, monitoring procedures and measurement of performance against appropriate KPIs.

During the period of the contract, Higgins Coatings' responsible contract manager will:

- regularly check the Supplier's progress to ensure that contractual obligations are being met, and provide feedback as required;
- keep adequate, written records of all dealings with the Supplier and of the administration of the contract; and
- provide necessary feedback to the Supplier regarding contract performance.

When a contract has been completed the responsible contract manager will initiate and, if required, assist the Contract Manager to:

- evaluate Supplier performance against outcomes, KPIs and/or milestones;
- provide feedback to the Supplier on performance, if requested; and
- update records of Supplier performance for future reference.

14. Training

To comply with relevant legislation, Higgins Coatings provides training to its employees and monitor competencies of contractors to ensure that purchasing, procurement or provision of services is conducted in a sustainable manner.

A Training Needs Analysis (TNA) and accompanying Training Register has been conducted to identify the appropriate training required for each person's role and responsibility.

Specifically, for sustainability, the following modules of training are provided:

- General Higgins Induction
- Environmental awareness

- Waste management
- Supply chain management
- Sustainability awareness training
- Purchasing procedure
- Contractor /supplier management
- Modern Slavery Act 2018 (Cth)