

GREEN PROCUREMENT POLICY

FYI Resources Ltd (FYI) is committed to the implementation of the Green Procurement strategy and the adoption of best practice contracting and procurement principles, policies, processes and procedures for all goods, services and works by FYI, in order to enhance achievement of FYI's objectives and to promote prudent and effective management of financial resources.

Green Procurement involves taking into account the whole life cycle of a product, covering aspects such as the acquisition of raw materials used, the toxicity of the product or its manufacturing processes. If the product contains any recycled materials, Green Procurement encompasses the amount of packaging used for the product, how energy and water efficient it is, any required maintenance, its potential for reuse or recycling, disposal options, where it is made and if it is supporting Fair Trade.

Green Procurement concerns choosing products that are less damaging to the environment and human wellbeing than the products currently being purchased. Green Procurement recognises that choosing the 'greenest' product on the market may not always be feasible and suitable to an organisation's needs but choosing a "greener" product that is still suitable is almost certainly feasible. Green Procurement is a method of purchasing where environmental and social considerations are taken with equal weighting to price, availability and performance.

Every product purchased has an environmental and subsequent social impact during its life cycle. Our purchasing, usage and waste disposal decisions directly affect not only our local community but also the entire planet. Green Procurement initiatives have the potential to shift Australian and international markets towards sustainable consumption.

Consistent with this commitment:

1. FYI is committed to the use and purchase of environmentally and socially responsible materials, products and services whenever they perform satisfactorily, are safe and are value for money over the lifetime of the product.
2. The elements of best practice applicable to procurement incorporate:
 - Principles covering ethics, value for money, responsibilities and accountabilities.
 - Guidelines giving effect to those principles.
 - Corporate delegations of authority.
 - Procurement processes, with appropriate procedures covering minor, simple procurement to high value, more complex procurement.
3. FYI's contracting, purchasing and contract management activities endeavour to:
 - Support our commitment to environmental responsibility as outlined in appendix 1 – Green Procurement Objectives. It is the responsibility of FYI's staff to be aware of potential impacts that a product's life cycle will have on environmental and human health and to use FYI's Green Procurement Checklist when purchasing goods, materials or services to ensure this Policy is complied with
 - Support FYI's corporate strategies, aims and objectives including, but not limited to those related to sustainability, protection of the environment, and corporate social responsibility;

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- Take a long-term strategic view of its procurement needs while continually assessing, reviewing and auditing its objectives, strategy and procedures.
 - Provide a robust and transparent audit trail which ensures that procurement projects are delivered on time, within cost constraints and that the needs of end users are fully met.
 - Be conducted and are perceived to be conducted, in an impartial, fair and ethical manner.
 - Achieve value for money and quality in the acquisition of goods, services and works by FYI.
 - Ensure that risks are identified, assessed, and managed at all stages of the procurement process.
 - Use strategic procurement practices and innovative procurement solutions to promote sustainability and best value, in particular making use of collaboration and partnership opportunities.
 - Use social procurement to enhance sustainable and strategic procurement to effectively contribute towards building stronger communities and meeting the wider social objectives of FYI.
 - Comply with legislation, corporate policies or other requirements, ensuring that all staff responsible for procurement and contract management are aware of and adhere to the legislative requirements, FYI standards and procedures.
4. FYI's procurement activities shall be performed with integrity and in a manner able to withstand the closest possible audit scrutiny.
 5. All tender processes shall be conducted in accordance with the requirements of this policy and any associated procedures, relevant legislation and relevant Australian Standards.
 6. The principle of responsible financial management shall be applied to all procurement activities.
 7. Accordingly, to give effect to this principle, the availability of existing funds within an approved budget (or source of funds) shall be established prior to the commencement of any procurement action for the supply of goods, services or works.
 8. FYI will install and maintain a framework of internal controls over procurement processes that will ensure:
 - More than one person is involved in and responsible for a transaction end to end;
 - Full transparency in the procurement process;
 - A clearly documented audit trail exists for procurement activities;
 - Appropriate authorisations are obtained and documented; and
 - Systems are in place for appropriate monitoring and performance measurement.

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- 9. Any breach of this Policy may result in disciplinary action which may include termination of employment (or, for persons other than employees, the termination or non-renewal of contractual arrangements).



Roland Hill
Chief Executive Officer

Review Date: 31 March 2024

30 November 2022

Date

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Appendix 1 – Green Procurement Objectives

To achieve the objectives of this policy the following principles have been established:

a) Minimise Unnecessary Purchasing

- Purchases must only be made once it has been determined that the product, material or service is necessary.
- Purchases must only be made once it has been determined how much of the product and material, if any, FYI currently has in stock.
- Avoid stockpiling/ bulk ordering products unless they are high use/ high turnover items.

b) Minimise Waste

Purchasing decisions must be made in the context of the waste hierarchy to:

Avoid/rethink

- Functions or tasks should be carried out without using materials that generate waste.
- Where practical and cost effective, products should be ordered in appropriate quantities to avoid having to dispose of excess products.
- Biodegradable products should be used wherever possible.

Reduce

- Use only what is needed.

Reuse

- Ensure that new purchases are durable, have a long service life and are easy to maintain, repair and upgrade when needed.
- Use the same item more than once and extend the useful life of products and equipment before replacing them. Aim to refill, re-use or repair an existing product.
- Equipment purchased or rented by FYI is to be compatible with each other, whenever practicable.
- Obsolete items still in good working order should be donated to charity or sold to ensure it remains in use and extend its useful life.

Recycle

- Products should contain a high percentage of recycled content (>80%?) wherever possible.
- Choose products which can be recycled at the end of their useful life.
- Recycle goods wherever possible - investigate recycling schemes available.
- Some electrical goods suppliers take back products at the end of their life for recycling- investigate this option when purchasing equipment.

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Dispose of waste thoughtfully

- Waste that is to be transported to a landfill should not contain toxic or recyclable items such as batteries, fluorescent tubes, compact fluorescent lamps, computers, LCDs/ TVs, paint, chemicals, mobile phones, oil and other toxic items. Disposal schemes are available for all these items in Western Australia.

c) Minimise Toxicity

- Products and materials should not release toxic or polluting substances that could potentially affect human health and pollute water, land or air.
- Products and materials should be disposed of in a safe and non-hazardous manner wherever possible.
- Choose biodegradable products where possible.
- Cleaning products should be biodegradable, low in Sodium and Phosphate (PO4), and free of carcinogens, endocrine disruptors, VOCs and scheduled poisons (S5, S6 or S7 products). Use of these products must not result in discharges of toxic chemicals to waterways at any stage of their life cycle.
- Avoid products containing hazardous materials like Lead (Pb) or Mercury (Hg) where possible.
- Where hazardous materials must be purchased (e.g. fluorescent tubes containing Mercury), they should be used and disposed of in the most safely and environmentally friendly manner possible.
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d) Minimise Habitat Destruction

- Paper and wood products should be obtained from recycled, plantation, salvaged or sustainably managed Forest Stewardship Council (FSC) certified sources.
- Cleaning products should be low in Phosphate (PO4), biodegradable and free of carcinogens and endocrine disruptors. Use of these products must not result in discharges of toxic chemicals to waterways at any stage of their life cycle.
- Paint and other liquid wastes must be disposed of properly and must not result in discharges of toxic chemicals to waterways.

e) Minimise Soil Degradation

- Products, materials and services should not degrade or pollute the soil or result in erosion when used.
- Organic products should be sourced wherever possible.

f) Minimise Greenhouse Gas Emissions

- Products and materials must be energy efficient (see next principle below).
- Use Green Power and reduce reliance on fossil fuels.

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- Goods and services should be sourced locally where possible.

g) Maximise Energy Efficiency

- Products and materials must be energy efficient- check the energy star rating <http://www.energyrating.gov.au/> and efficiency features are the best available for the cost over the lifetime of the product.

h) Maximise Water Efficiency

- Products and materials must be water efficient- check the water efficiency label rating <http://www.waterrating.gov.au/> and efficiency features are the best available for the cost over the lifetime of the product.

i) Maximise Value for Money

- Purchasing decisions by FYI staff must be made on the basis of value for money rather than just the cheapest up-front purchase price.
- A cost benefit analysis (using the benefit: cost ratio of~ benefits/ (investment + operating costs)) may need to be undertaken on larger purchases to ascertain whether larger upfront purchase costs of materials or equipment is then offset by lower running and maintenance costs. The calculated benefit: cost ratio should be over 1.
- FYI recognises that in some cases environmentally preferred products, materials or services may be more expensive than traditional sources and accordingly a price preference of 5% will be implemented under this policy to encourage purchasing of environmentally preferred products.
- The extra costs that may be associated with purchasing environmentally preferred products can be offset by reducing consumption of the product in the first place. E.g., if energy or paper consumption can be reduced, then the cost savings can respectively go towards purchasing green power or recycled content paper.
- Where products, materials or services that are not environmentally preferred are chosen solely on the basis of cost, the purchasing officer must detail in writing the reasons for not purchasing an environmentally preferred alternative.

j) Maximise Fair Trade opportunities

- The purchase of Fair Trade products ensures disadvantaged farmers and workers in developing countries get better prices for their product, decent working conditions, local sustainability and fair terms of trade. Fair Trade addresses the injustices of conventional trade, and enables the poorest, weakest producers to improve their position and have more control over their lives.

k) Maximise the Purchase of Eco- Labelled / Environmentally Preferred Products / Services

- Does the product achieve certification in the major eco-labelling schemes? Please refer to the Eco-Labeling in Australia guidance on labels to look for.
- Potential suppliers should provide details of their environmental sustainability policy / plans / practises. Are they ISO14001 (or equivalent) certified?

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- Potential suppliers must meet our Green Procurement Policy requirements in tender documents.

l) Maximise Safety

- Proper MSDS (Material Safety Data Sheets) where applicable are sourced and kept on record for high-risk products.
- Cleaning products should be pH neutral, non-irritating, and free of carcinogens, endocrine disruptors, VOCs, toxicants and scheduled poisons (S5, S6 or S7 products).
- Avoid products containing hazardous materials like Lead (Pb) or Mercury (Hg) wherever possible.
- Where hazardous materials must be purchased (e.g. fluorescent tubes containing Mercury), products should be used and disposed of in the most safely and environmentally friendly manner

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