

# Group Procurement Policy

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**Responsibility:** Chief Financial Officer

## 1. Purpose

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The purpose of this Policy is to establish high level principles for the sustainable procurement of goods and services across Cromwell Property Group (“Cromwell”). The Policy outlines the expectations and principles to be applied to ensure that procurement is undertaken in a manner appropriate to fulfil business needs, facilitate supply chain transparency and to determine, reduce and manage risk, including third party risk and the risk of modern slavery.

## 2. Scope

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This Policy applies to anyone engaged in procuring goods and services across Cromwell including:

- Corporate goods and services;
- Goods and services procured for property services and assets under management;

Procurement of goods and services is likely to fall into three categories, being:

- One-off purchases of goods and or services;
- Frequent repeated purchases from “approved / preferred vendors”; or
- Contracts for the supply of goods and services for an agreed term.

Inter Group, related party transactions, staff reimbursements, tenant claims and statutory charges are excluded from the scope of this Policy. Further exceptions will otherwise be made and documented as permitted according to relevant delegations of authority in place (“Delegations of Authority” or “DOA”) at the time the procurement or supplier related decision is made.

## 3. Policy Statement

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Cromwell is committed to best business practice for procurement activities that ensure sustainable and circular procurement models, value for money, effective, efficient outcomes, manage risk appropriately and ensure regulatory compliance including regional modern slavery legislation. Cromwell requires that it, and individuals involved in purchasing and supply management processes, use best endeavours to ensure that Cromwell’s purchasing and contracting activities promote and adhere to the procurement principles in Table 1 (“Procurement Principles”). These principles broadly align with ISO 20400: Sustainable Procurement and reflect our corporate intent to consider environmental, social and governance (“ESG”) related issues as well as commercial and risk factors as part of Cromwell’s procurement decision making and ongoing oversight.

## 4. Procurement Principles

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Cromwell’s Policy Framework and other processes incorporate guidance to support the Procurement Principles. Some of these are described in **Table 1**:

**Table 1 - Procurement Principles**

	Procurement Principles: Based on ISO20400	Policy & Process Guidance	
	ISO20400	Australia	Europe
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• Prevention of Pollution</li> <li>• Sustainable Resource Use</li> <li>• Focus on Needs</li> <li>• Analysis of Costs &amp; Benefits</li> <li>• Innovative Solutions</li> <li>• Business Integration</li> </ul>	<ul style="list-style-type: none"> <li>• Group ESG Policy (which includes guidance on energy, water, waste, biodiversity, climate change positioning and GHG emissions)</li> <li>• Environmental Management System</li> <li>• Delegations of Authority</li> </ul>	<ul style="list-style-type: none"> <li>• Group ESG Policy (which includes guidance on energy, water, waste, biodiversity, climate change positioning and GHG emissions)</li> <li>• EU - AIFM Delegation &amp; Counterparty Policy</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>• Labour Practices</li> <li>• Respect for Human Rights</li> <li>• Consumer Issues</li> <li>• Respect for Stakeholder Interests</li> <li>• Full &amp; Fair Opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Equal Opportunity Policy</li> <li>• Group Health, Safety &amp; Wellness Policy</li> <li>• Diversity &amp; Inclusion Policy</li> <li>• Human Rights Policy</li> <li>• Privacy Policy</li> <li>• Group Supplier Code of Conduct</li> <li>• Equal Employment Opportunity Policy</li> </ul>	<ul style="list-style-type: none"> <li>• High Level Systems &amp; Controls Policy</li> <li>• Group Health, Safety &amp; Wellness Policy</li> <li>• Diversity &amp; Inclusion Policy</li> <li>• Human Rights Policy</li> <li>• Data Protection Policy</li> <li>• Group Supplier Code of Conduct</li> <li>• Equal Employment Opportunity Policy</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Accountability &amp; Transparency</li> <li>• Respect for the Rule of Law</li> <li>• Ethical Behaviour</li> <li>• Fair Operating Practices</li> </ul>	<ul style="list-style-type: none"> <li>• Conflict of Interest Policy</li> <li>• Complaints Handling Policy</li> <li>• Code of Conduct</li> <li>• Enterprise Risk Management Policy</li> <li>• Whistle-blower Protection Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Corporate Contract Signing Policy</li> <li>• Whistleblowing Policy</li> <li>• Bribery &amp; Corruption Policy</li> </ul>

## 5. Vendor Evaluation & Supply Chain Management

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### 5.1 New Vendors

Each Cromwell region will ensure that their operational processes include appropriate evaluation of new, proposed suppliers of goods and services to Cromwell before they are engaged, based on relevant Delegations of Authority, the Procurement Principles and relevant policies and processes.

### 5.2 Vendor Evaluation – Existing Vendors & Ongoing Monitoring

Yardi Voyager is used as the central database of Cromwell's vendors and suppliers of goods and services.

Data analysis from Yardi Voyager will be used to monitor and prompt users to verify vendor information as required based on an inherent risk assessment. The ongoing verification of vendor performance will consider the residual risk, maturity of the relationship with the vendor and frequency of procurement. Vendor information is to be reviewed using risk-based approach that is informed by the principles in our Enterprise Risk Management Framework.

## 6. Policy Operation

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### 6.1 Implementation Working Group

A Global Procurement Working Group ("PWG") was established to agree on the initial Policy objectives, establish the Procurement Principles and inform Cromwell's Policy positioning, and pending a more fulsome review of Delegations of Authority throughout the business. The Chief Financial Officer ("CFO"), has delegated authority from the Chief Executive for financial decisions, including entering into and ongoing monitoring of procurement engagements.

### 6.2 Review Working Group

The CFO may, at an appropriate time, reconvene a PWG or similar management forum to review this Policy and supporting systems and practices. The PWG may review Cromwell's procurement practices and consider relevant issues to improve and enhance them. The CFO will guide the prioritisation of the PWG's work, which may include:

- The contents of this Policy and the Procurement Principles

Determine if due diligence measures in place need to be updated to specifically focus on identified risk areas, including ESG integration in decision making and overall third party risk management:

- Mechanisms encouraging accountability, consistency, and alignment of departmental procurement practices where practical and relevant, through application of the Procurement Principles
- Supporting development of clear metrics and guidance to determine vendor risk assessments and ongoing performance evaluations
- Integrating supply chain management controls in key business systems, e.g., the development and management of a preferred vendor register in Yardi Voyager or other system
- Encouraging stakeholder awareness training to promote best practice procurement activities, including the identification of human rights, climate change, modern slavery, ESG and other risks, with the development of associated remediation plans
- Reviewing the determination of risk indicators associated with materials, labour, origin, industry and influence
- Guiding internal stakeholders on metrics to assess value for money, quality of goods and services and best practice procurement in line with the Procurement Principles
- Developing tools to assist teams with vendor engagement plans, considering the sphere of influence and industry risks
- Monitoring frequency of policy exceptions and necessity for continuous improvement measures
- Maintaining a framework to comply with legislative reporting requirements on modern slavery risk and due diligence as regionally applicable

- Engaging with consultants as required to facilitate the objectives of this Policy
- Assisting with developing a procurement strategy which encourages cost optimisation and economic value creation, through economies of scale and comprehensive lifecycle analysis
- Considering if tools can be developed or enhanced to ensure local processes remain aligned with the Procurement Principles and our Policy objectives

## 7. Minimum Requirements

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All staff are expected to comply with this Policy through the following:

- Participating in procurement related learning and development activities, including all mandatory Modern Slavery and ESG training;
- Conducting activities in a manner which uphold the Procurement Principles and this Policy;
- Communicating the Supplier Code of Conduct and expectations to all vendors;
- Reporting any prospective breaches of this Policy to [riskandcompliance@cromwell.com.au](mailto:riskandcompliance@cromwell.com.au)

## 8. Supply Chain & Modern Slavery

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Cromwell is committed to protecting human rights and ethical labour practices across our work force and supply chain. Cromwell is also required to report under Modern Slavery legislation where regionally applicable to operations (including within Australia and the UK) and will continue to investigate and evaluate vendors as part of our supply chain management.

In Australia, Cromwell and its employees are prohibited under the *Fair Work Act 2009* (Cth) from taking adverse action against employees or contractors because they exercised or propose to exercise any workplace rights. The *Treasury Laws Amendment (Enhancing Whistleblower Protections) Act 2019* (Cth) extends the protections available to eligible whistleblowers under the *Corporations Act 2001* (Cth) to include suppliers of goods and services of regulated entities. Cromwell supports the principles of this Act across the jurisdictions under which we operate.