

Kalbar Local Content Guidelines

1. Introduction

Kalbar Resources Limited recognises that building relationships and working collaboratively and transparently with our local community, government, employees and investors is critical to our long-term success. A key component of stakeholder relations is to work to enhance social and economic development by seeking opportunities to address local community needs. This involves a commitment to recruiting locally where possible and to working in partnership with our community to foster local economic development.

2. Local Content objective

The local content objective is to make a positive impact on communities associated with our operations. Our activities will strive to enhance the socio-economic capacity and wellbeing of our communities and make contributions to the sustainability of these communities.

3. Scope

Our local content guidelines are focused on three main areas:

- Training and hiring of local staff
- Purchasing local goods and services
- Developing infrastructure within the region

4. Definitions

Under this Guideline, local content is defined as the proportion of the contract that is undertaken locally in East Gippsland, the wider Gippsland Region and Australia. It includes:

- the source of goods, materials and services
- the degree to which local suppliers and subcontractors are used

The Guideline will apply a system of municipalities/distance to determine whether a business or content is local:

- Zone 1 is the East Gippsland and Wellington Shire municipalities
- Zone 2 is greater Gippsland – South Gippsland SC, Latrobe City, Baw Baw SC and Bass Coast SC. In Zone 2, 'local' means within 200 km of the point of delivery
- Zone 3 is the rest of Victoria and Australia

Local businesses are those that have local office addresses within these zones that are not just postal addresses, regardless of whether they have offices elsewhere. If there is little or no local content offered within these distances, then 'local content' means content from within Victoria, and if not within Victoria then within Australia.

Tenders will be compared using a formula that weights local content in the assessment. These comparisons are used to compare tender bids only and have no effect on the amount actually paid.

- The Guideline requires that companies report the value of contracts awarded to local businesses to Kalbar Resources.

5. Application

Opportunities for local suppliers to supply goods and services to the project will be maximised through a range of initiatives such as:

- Support local industry participation by providing industry briefings on future work programs and how local businesses can best prepare
- Employment of a local content support coordinator, to assist with local industry capability building and content development, capital infrastructure and operational procurement processes and to implement and enhance opportunities for local people and businesses
- Work and liaise with local businesses and employers to understand the potential impact on their current and future workforce
- Continue to build relationships to promote co-operation between Kalbar and local businesses
- Identify skill shortages and areas of training which will be required to enable locals to gain appropriate qualifications
- Work with local education providers to develop nationally recognised courses to accommodate any skill shortages
- Encourage and support ongoing training through local partnerships with a view to keep abreast of the changing landscape of the mining industry
- Establish and maintain a database of businesses based in East Gippsland and Wellington Shire Councils and the greater Gippsland region with services and supplies that could support construction, operations, rehabilitation and decommissioning of the project.
- Compare tenders using a formula that weights local content in the assessment
- Require tenderers to demonstrate local content and preferentially weight this in the assessment
- Advertise all tenders in local newspapers and on relevant procurement portals
- Advertise in local papers what local businesses can do to get their business ready to supply goods and services to the project
- Engage and work collaboratively with industry bodies to identify and build the capacity of local suppliers to supply goods and services to the project
- Engage with industry bodies such as ICN and programs such as GROW Gippsland (a collaborative program aimed at strengthening social and economic outcomes and increasing job opportunities in the Gippsland region) to:
 - Identify potential local suppliers through Gippsland Business Connect and other databases of local suppliers in the region.
 - Run tailored tender workshops for local suppliers on topics such as tender writing for the supply of goods and services to the project.
 - Run workshops to assist businesses in retaining their staff.
 - Profile the project and the opportunities available for local suppliers.
 - Monitor goods and services supplied to the project and review and report on this on an annual basis through tools on an analytics platform which collects, analyses and presents data on local content.
 - Where appropriate encourage and promote Joint Venture opportunities for local contractors/suppliers.
 - Work with contractors and sub-contractors on the project on maintaining consistent requirements to Kalbar with regards to local content requirements.

6. Review

These guidelines will periodically be reviewed by Kalbar to ensure it remains consistent with the company's stakeholder engagement policy and continues to meet the objectives within this policy.

Related documents:

- Kalbar Stakeholder Engagement Policy
- Kalbar Code of Conduct
- Kalbar Community Engagement Plan

Version	Doc Category	Status	Reviewer	Approver	Approval Date	Due for review
1.0	Management	Reviewed	Regional Manager	CEO	21.5.2019	June 2020