

LOCAL BUYING PROGRAM

BUILDING OUR FUTURE TOGETHER

Supporting South Australia
Through Local Buying



BHP

C·RES
COMMUNITY RESOURCING
FOR THE FUTURE

PROUDLY DELIVERING THE LOCAL BUYING PROGRAM IN PARTNERSHIP

www.localbuying.com.au

OUR COMMITMENT

Olympic Dam is the one of the world's most significant natural resources and a core part of BHP's portfolio. It is an incredible asset where we extract and process copper, gold, uranium and silver – all within the one site.

One of the great things about an operation like Olympic Dam is the economic benefit it can create for local and regional businesses. We know how valuable a strong local economy is to a community, and we are proud of our contribution to the Far North and Upper Spencer Gulf regions.

BHP's Local Buying Program has its genesis in Queensland, where it has been underway for several years. Recognising that it could be challenging for smaller businesses to engage with Olympic Dam, BHP launched the Local Buying Program in South Australia in 2017.

Since that time, the program has built good momentum and created hundreds of new opportunities totalling millions of dollars for contractors and suppliers in the Far North and Upper Spencer Gulf. I look forward to seeing that grow much further in the years to come.

BHP is proud to deliver the Local Buying Program in partnership with C-Res (Community Resourcing for the Future), a respected organisation building this initiative in keeping with our shared values to create positive outcomes for regional communities.



Laura Tyler

Asset President
Olympic Dam

Olympic Dam overview

Olympic Dam is one of the world's largest ore bodies with significant deposits of copper, gold, uranium and silver.

BHP's workforce of 3,500 people makes it one of South Australia's largest employers. The scale of the Olympic Dam orebody means it is a cornerstone of the resource industry and a generational resource for South Australia.

Through significant investment in infrastructure and with a move into the high-grade Southern Mine Area, the Olympic Dam operation will underpin jobs and economic development in South Australia into the future.

About the Local Buying Program

The Local Buying Program has been established in the Olympic Dam supply region to support local communities by helping small businesses to engage as suppliers with BHP. This also means supporting the local economy and local employment opportunities.

The Local Buying Program, nationally, has developed into a network of more than 1,400 suppliers – and of those, a strong number of South Australian businesses throughout the Roxby Downs and Upper Spencer Gulf regions are now better placed to effectively engage with BHP at Olympic Dam.

BHP's Local Buying Program provides these local small businesses with a dedicated buying platform, better payment terms and support through locally-based Business Development Advisors.

Strategic Partnership of BHP and C-Res

Jointly, BHP and C-Res have created and delivered the Local Buying Program with the aim to assist small businesses to engage with BHP and support regional economic development of the communities in which BHP operates.

The Local Buying Program is delivered through a strategic partnership between BHP and C-Res, a cost-neutral entity. C-Res was first incorporated in 2012 to deliver the Local Buying Program in Queensland for BHP Mitsubishi Alliance (BMA). After the initial successes with BMA, the Program expanded in 2013 to include BHP Mitsui Coal (BMC), Hay Point Coal Terminal in 2014, and the Mackay region in 2015.

In 2016 the program entered new territory and commenced operations across the border in New South Wales at BHP's Mt Arthur Coal. Since then the Program's continuing success has seen it expand in 2017 to include Western Australia Iron Ore operations and Olympic Dam in South Australia.

This successful partnership now spans all BHP Minerals Australia core assets including the BHP Mitsubishi Alliance and BHP Mitsui Coal in Queensland, NSW Energy Coal in New South Wales, Western Australia Iron Ore (WAIO) and Olympic Dam (OD) in South Australia.



What are the qualification criteria?

Businesses are required to meet a number of minimum mandatory qualification criteria prior to being assessed and approved as a Local Buying Program supplier by C-Res. Criteria includes:

- Must employ less than 20 full-time equivalent employees (not including casual staff, subcontractors, trainees, or apprentices)
- Must have a significant physical presence in an eligible Local Buying Program area (see website for information on eligible regions and conditions relating to significant physical presence)
- Must have an ABN and be registered for GST (if required)
- Must have appropriate insurances including Workers Compensation (if an Employer) and Public Liability (mandatory)
- Must provide goods or services aligned with the BHP Global Supply goods and services categories
- Must have the appropriate personnel, management and financial capacity to deliver goods and services to BHP
- Must agree to the LBP Purchase Order Terms and Conditions
- Must demonstrate alignment with BHP's Charter Values and Code of Business Conduct

Suppliers who carry out services at BHP operations will need to meet additional requirements prior to undertaking approved work, may be required to have additional mandatory insurances/policies, and need to provide procedures for the goods/services they supply.

BHP may, from time to time, exempt an identified Traditional Owner business that is 50% or more owned by a Traditional Owner as defined in an ILUA or other formal agreement to which BHP and the owner(s) are party to from the above outlined criteria.

Exemption 1: Aboriginal Traditional Owner businesses, with less than 20 full time equivalent employees, may not be required to have a significant physical presence in the eligible regions.

Exemption 2: There may be instances where a Traditional Owner or Indigenous business does not meet the standard qualification criteria or exemption 1, however BHP supports their entry to the Program, potentially on a trial period.

Why should local businesses get involved?

Feedback from local businesses prior to development of the Local Buying Program identified several challenges associated with engaging and supplying to BHP.

The Local Buying Program (LBP) addresses some of these challenges by:

- Quicker payment terms (within 21 days)
- Providing more work opportunities more frequently
- Enabling suppliers to better respond to opportunities and quote for work
- Providing greater supplier exposure to BHP through the online supplier directory
- Providing suppliers with a tool (LBP website) to showcase and profile their business
- Enabling suppliers with the flexibility to update their business profile as required, to ensure their details are always current

Which categories are included?

The Local Buying Program covers a broad and diverse range of categories of goods and services. These categories are reviewed regularly to ensure the Program remains current and aligned to market needs.

The list below are some of the categories that feature in the Local Buying Program. The full list of categories and sub-categories can be viewed at www.localbuying.com.au.

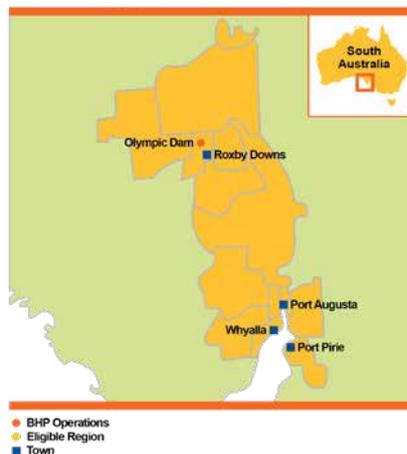
- Trade Maintenance Services
- Engineering Consulting
- Equipment Maintenance Services
- Onsite Equipment Rebuild & Refurbishment
- Safety Consumables
- Specialised Equipment Maintenance Services
- Accommodation & Catering

Are there any costs to become a Local Buying Program supplier?

There are no costs associated with registering to become a Local Buying Program supplier.

Where does the Program operate?

To register for, and then work with the Local Buying Program in South Australia, suppliers must have a significant physical presence in one of the following Local Government Areas:



- Port Augusta City Council
- Port Pirie Regional Council
- Roxby Downs Council
- Whyalla City Council
- District of Mount Remarkable
- Outback Communities Authority

All Olympic Dam operations, including Mine-end, Process-end, Integrated Operations and Projects; Adelaide Distribution Centre and Adelaide offices are able to engage suppliers through the Local Buying Program.

How are the work packages communicated?

BHP buyers submit work packages via the website. Suppliers are notified of work activity via an automated email and asked to submit a quote.

How does the LBP support sustainable business and community development?

BHP's business development programs aim to drive sustainable growth in local townships and communities. BHP works closely with the local community to identify which programs are best suited to local businesses and provide genuine benefit. We will consult closely with local organisations and representatives to jointly agree on the priority areas for our development programs and to ensure that these are aligned with existing and future initiatives.

C-Res has dedicated Business Development Advisors (BDA) available to support buyers and suppliers with all aspects of the Local Buying Program. Our BDAs live locally in the regions where BHP sites operate, which facilitates arranging meetings for BDAs to visit business premises to offer support using the Local Buying Program, creating Business Capability Statements, choosing supply categories and discussing all questions relating to the Program and its processes. BDAs are also available to assist buyers with the supplier directory, onboarding eligible suppliers and raising work instructions.

What if my quote is unsuccessful?

Businesses registered with the Local Buying Program are not guaranteed work. The Local Buying Program is a competitive procurement program and suppliers are required to remain competitive to secure work.

To assist businesses to effectively supply goods and services, BHP buyers are encouraged to provide feedback on their supplier selection. C-Res, where possible, will assist businesses to overcome supply challenges and identify trends and opportunities linked to supplying industry.

Will I compete for work against major suppliers?

Local Buying Program suppliers will compete for work packages against other Local Buying Program suppliers through the Program portal.

Submitted quotes may be assessed against vendors for competitiveness. Note, BHP operations are committed to various supply contracts and cannot use the Local Buying Program for all work requirements.

How do I register as a Local Buying Program supplier?

Local businesses can register online by visiting www.localbuying.com.au. Applications are assessed on an individual basis in alignment with the Local Buying Program criteria. Once approved, suppliers can access and respond to work opportunities as they become available. It generally takes C-Res three working days to process new registrations.

1. Log on to www.localbuying.com.au
2. Click 'Register Now In Your State' under the 'New Suppliers' Tab
3. Complete the workspace Supplier Registration Form and submit
4. Registration request assessed and supplier advised if successful or unsuccessful.
5. Approved supplier receives a LBP supplier number
6. Supplier able to compete for work



LOCAL BUYING PROGRAM
BUILDING OUR FUTURE TOGETHER

BHP  **C-RES**
COMMUNITY RESOURCING FOR THE FUTURE

PROUDLY DELIVERING THE LOCAL BUYING PROGRAM IN PARTNERSHIP

 1800 536 663

 info@localbuying.com.au

 www.localbuying.com.au