



Qantas Procurement





1. Supplier / Qantas Relationships

Effective and efficient supplier relationships are vital to our success.

We aim at all times to:

- ▶ identify and work with best practice suppliers in the marketplace;
- ▶ ensure that our suppliers understand our business objectives and that we understand their objectives;
- ▶ ensure that we establish the structure of relationship best suited to the achievement of those objectives;
- ▶ encourage efficiency, continuous improvement and innovation among our suppliers;
- ▶ give and receive open and honest feedback on performance to and from our suppliers, and if applicable, via the Qantas Supplier Recognition Program;
- ▶ promote with our suppliers, standards and policies compatible with our own; and
- ▶ make the Qantas Group companies 'Customer of Choice' for our suppliers.

2. The Way We Buy

Companies in the Qantas Group buy a vast range of goods and / or services in different markets. We do not adopt the same procurement method in all cases, preferring instead to adopt the approach best suited to each need.

Depending on our requirements we will normally:

- ▶ seek proposals on a competitive basis from a number of suppliers, however, we may seek a proposal from a single supplier or;
- ▶ ask for formal bids or tenders as part of the procurement and competitive benchmarking process;
- ▶ conduct negotiations with prospective suppliers, instead of or in conjunction with a formal bid or tender process; and
- ▶ vary the length and structure of contractual commitments we enter into.

In each case, our objective is to minimise cost and maximise value. In addition, we aim to ensure that the approach we adopt is fair and is clearly understood by our potential suppliers.

3. The Approval Process

Within Qantas, only certain people have the authority to formalise and execute contracts with suppliers. With rare exceptions, these are always on Qantas standard forms of contract. If, as a supplier you appear to have a contract that is not in line with these guidelines, then this contract may not have been executed in accordance with Qantas contracting policy. If you have any doubt in this regard, as a supplier please email: procurement@qantas.com.au

4. Our Ethics

The Qantas Group expects all its employees involved in the procurement process to observe the highest standards of ethical conduct.

In Particular:

- ▶ we must scrupulously observe any duty of confidence we owe in relation to information provided to us by suppliers;
- ▶ we must comply with the obligations imposed by Trade Practices Law in every jurisdiction that the Qantas Group does business;

- ▶ any offer of gifts (other than minor promotional items bearing the supplier's identity) or other inducements will be politely refused and the supplier will be advised that the Qantas Group does not permit employees to accept gifts or inducements;
- ▶ offers of meals or other entertainment must be rejected unless they are appropriate in the context of the business relationship between the Qantas Group company and the supplier, and the Qantas Group company is in a position to reciprocate;
- ▶ no favour or preference must be shown to any supplier at the expense of the Qantas Group company or its ability to meet Qantas' business requirements effectively; and
- ▶ anything which could be construed as creating conflict between an employee's interests and the Qantas Group's interests must be declared immediately to their manager by the employee.

We also expect our suppliers to be committed to these standards.

5. Paying Suppliers

Qantas Group policy is to pay suppliers on-time in accordance with our contractual commitments. Qantas Group standard payment terms are 45 days from the end of the month of the date of the invoice. This means that invoices will be paid 45 days following the month in which the invoice has been validly submitted to the appropriate Qantas Group company e.g. 10 December invoice will be paid 15 February and 31 December invoice will also be paid 15 February.

6. Qantas Supplier Recognition Program

At Qantas, we have launched the Qantas Supplier Recognition Program (QSRP) as a tool to assist both suppliers and Qantas Group companies. Qantas values participation in the QSRP, as partnering with suppliers for continuous improvement is a priority. The QSRP provides a framework for development, improvement and innovation through the setting and monitoring of targets for incumbent suppliers. A range of recognition awards are awarded annually, based on suppliers' commitment and performance during the Assessment Year. Qantas expects commitment to the QSRP from each supplier invited to participate.

7. Supplier Endorsement

The Qantas Group does not provide any endorsement of suppliers or their goods or services.

Publicity Release – In all cases, the supplier is required to seek approval from Qantas Procurement prior to making any public statement about the contract or the services provided to any Qantas Group company. Qantas Corporate Communications must clear, prior to issue, the final copy of any supplier public releases that contain any reference to a Qantas Group company.

Supplier References – Qantas Procurement encourages the development of strategic relationships with our significant suppliers. In recognition of preferred status, there are some permissible activities that require specific permission from Qantas Procurement under the terms of contracts, such as the use of:

- ▶ **current QSRP awards and certificates as references;**
- ▶ **contact details of appropriately qualified current Qantas Group personnel (not its agents or subcontractors) as references in tenders or proposals; and**
- ▶ **non-qualitative statements of work regarding current services being provided to a Qantas Group company.**

8. Supplier Requirements

Qantas has detailed expectations of all suppliers – these are contained in the ‘Supplier Requirements’ that are included as part of all Supplier Contracts.

Under Occupational Health and Safety (OHS) legislation in all jurisdictions, Qantas has an obligation to ensure, as far as reasonably practicable, the health and safety of all persons working in, and present at Qantas premises or other workplaces controlled by Qantas (Qantas Sites).

Suppliers are responsible for ensuring the health and safety of their officers, employees, agents and contractors (and their employees or contractors), as well as the health and safety of others, including Qantas employees, customers, visitors and other contractors and suppliers, when present at Qantas Sites.

Qantas has developed OHS Requirements to provide Suppliers with an overview of their responsibilities in relation to occupational health, safety and environment while present on Qantas Sites.

In relation to OHS, all Qantas Suppliers and their Personnel must, as a minimum, comply with:

- ▶ **applicable occupational health, safety and environment legislation, regulations, Codes of Practice and Australian Standards; and**
- ▶ **the OHS Requirements component of the Supplier Requirements, when present at Qantas Sites, in compliance with the applicable laws of the local jurisdiction.**

Depending upon the nature of the goods and / or services being supplied in each case, Qantas may provide more specific OHS requirements relating to the provision of those particular goods and / or services.

Further, Qantas requires its Suppliers and their Personnel to comply with other requirements regarding Standards of Personal Behaviour, Equal Opportunity, Harassment and Bullying, Theft, Attempted Theft, Fraud, Attempted Fraud or Removal of Property, Environmental, Security and in particular circumstances. These requirements are also set out in the Supplier Requirements.

Suppliers are required to comply with these Supplier Requirements.

9. Interest in becoming a Supplier to Qantas

The Qantas Group is always interested in new sources of supply, recognising that we generally have long-term contracts with our suppliers.

Potential suppliers that wish to have proposed items evaluated / reviewed are requested to initiate contact by email / writing providing a company brochure / information package to the following address:

Email us at
Procurement@qantas.com.au

Mail us at
Head of Strategic Procurement
Qantas Centre, Building A, Level 5,
203 Coward Street,
Mascot NSW 2020, Australia

Fax us at
+61 2 9691 3082

We will review the submission and respond within 14 days, if the information provided is considered to be of interest to the Qantas Group.





Qantas Airways Limited ABN 16 009 661 901

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