Responsible Procurement Standard

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# Standard Overview

At TasNetworks we are guided by our Vision – to be trusted by our customers to deliver today and create a better tomorrow. TasNetworks’ commitment is to always do the right thing for our customers, our people and our communities. We are committed towards having a positive social impact and strive for sustainability across every function, including Sourcing and Procurement.

TasNetworks values the economic, social and cultural contribution of the Aboriginal and Torres Strait Islander community in Tasmania and Australia. This Responsible Procurement Standard builds our capacity to increase Aboriginal and Torres Strait Islander skills and participation.

We also recognise that we can have a positive impact on our employees, customers and the Tasmanian community more broadly. We also have influence on our suppliers, contractors and their employees, products and services and through positive, collaborative relationships we will create shared value.

This Standard has been developed to complement various Tasmanian Government initiatives (such as waste action initiatives) and supports TasNetworks’ Procurement Policy and Guidelines with the intention to underpin all procurement and sourcing for TasNetworks.

This Standard is a Level ***3*** Standard, see the *Policy Framework* for further information.

# Who does this Standard apply to?

This Standard applies to all TasNetworks’ leaders, team members, trainees, contractors and suppliers. . It aims to encourage, support and where appropriate mandate requirements that will assist TasNetworks and our suppliers to work towards a sustainable and equitable future.

This Standard also applies to companies within the TasNetworks Group, and a reference to TasNetworks in this Standard includes a reference to group companies.

The TasNetworks Group means TasNetworks and its subsidiaries. TasNetworks’ subsidiaries as at January 2021 are TasNetworks Holdings Pty Ltd, Fortytwo24 Pty Ltd, Marinus Link Pty Ltd and Large Scale Renewables Pty Ltd.

# The Standard

## Purpose and Scope

TasNetworks acknowledges our responsibility to ensure that standards relating to people, the environment and the communities in which we operate are maintained and continuously improved throughout our conduct of procurement activities.

This Standard outlines TasNetworks’ principles, commitments and approach to responsibly source products and services and to ensure that TasNetworks and its suppliers:

* focuses in areas of employment and economic participation opportunities for Aboriginal and Torres Strait Islander peoples in the communities we operate in;
* consider the impacts of our operations on the social and environmental sustainability of the communities in which we operate;
* provide our employees with a safe work environment, and the appropriate equipment, training and support;
* operate according to sound environmental management principles including reducing carbon emissions;
* adopt strategies to avoid unnecessary consumption and manage demand;
* select products and services which have lower environmental impacts across their life cycle and create demand for recycled (or biodegradable) products;
* manage our employees and upstream service providers ethically by upholding human rights, fair labour management practices and diversity and inclusion principles, and addressing modern slavery, in line with TasNetworks’ commitment to the United Nations Sustainable Development Goals; and
* Provide products and services that represent good quality and value, are fit for purpose, and comply with all legal requirements and standards.

TasNetworks encourages all organisations within our supply chain to meet these Principles.

# Commitments by TasNetworks

## Sourcing and Procurement

* Ensure continuous improvement of the procurement process based on the principles listed above
* Establish appropriate measures to optimize the impact of its purchasing and contracting decisions in the Tasmanian communities where it operates (including the achievement of Buy-Local requirements.
* Conduct risk-based due diligence before entering into a relationship with a contract counterparty, and on an ongoing basis.
* Ensure compliance during the procurement process with applicable legal requirements relating to human, employment and environmental protection and conservation, including the Modern Slavery Act (including identifying and assessing the risk of modern slavery in the procurement process to prohibit slavery and the use of forced, bonded, or child labour across the supply chain).
* Avoid dealing with contractors, suppliers and other business partners known or reasonably suspected to be engaging in misconduct.
* Ensure that the supplier selection fits the existing internal requirements at all times and in particular, the Procurement Policy and Guidelines.
* Raise awareness in social responsibility of staff and other stakeholders involved in the procurement process.

## Social and Environmental

* Give preference to products that are reusable, recyclable and/or contain recycled content where such products fit the purpose, provide environmental benefits and are of comparable cost and quality to alternative products.
* Undertake initiatives to promote greater environmental responsibility such as:
	+ Responsible waste management, disposal and landfill (including maximising the volume of waste diverted to recycling or reuse and minimising the volume sent to landfill).
	+ Reduction of greenhouse gas emissions and other controlled or hazardous waste harmful to the environment and community.
	+ Conservation of natural resources and protection of biodiversity.
	+ Reduce consumption at TasNetworks and where appropriate, eliminate the need for the purchase or reduce the size of the requirement.
	+ Avoid or minimise the use of water within TasNetworks sites.
	+ Avoid or minimise packing waste.
* Stimulate demand for socially responsible, sustainable products, services and/or projects consistent with circular economy principles[[1]](#footnote-1).
* Partner with local governments and communities to improve the education, cultural, economic and social well-being of communities in which we operate.

## Aboriginal and Torres Strait Islander Procurement Objectives

This Standard aims to create opportunities for Aboriginal and Torres Strait Islander owned businesses and encourage Aboriginal and Torres Strait Islander employment through the supply chain of TasNetworks’ contracts.

The key objectives of this Standard is to:

* Support employment opportunities for Aboriginal and Torres Strait Islander people within Aboriginal and Torres Strait Islander owned businesses.
* Support sustainable growth of Aboriginal businesses by driving demand via TasNetworks procurement of goods and services.
* Support employment opportunities for Aboriginal and Torres Strait Islander people within non-Aboriginal and Torres Strait Islander owned businesses.

## Value for Money

The value for money proposition of utilising the Aboriginal and Torres Strait Islander Procurement is that, on average, the Aboriginal and Torres Strait Islander enterprises create over four times the value in social return for every dollar of revenue spent[[2]](#footnote-2).

## Social Return Value

The social return value may manifest in a number of ways. The benefits can be seen in terms of ‘returns’ for individuals, communities, society or the environment. Some possible examples are, but not limited to:

* Aboriginal and Torres Strait Islander enterprises growth and prevalence in the economy brings an underrepresented perspective to solve problems leading to more innovation and diversity.
* Employment opportunities for Aboriginal and Torres Strait Islander peoples in the Tasmanian region can lead to:
	+ 1. increased economic participation; and
		2. increased opportunities for skills, training and development.
* Reduction or elimination of waste, particularly landfill.
* Local community growth and benefits.

Social return value encompasses both the principles and commitments as outlined in this Standard.

# Roles and responsibilities

All TasNetworks **Leaders** and **Team Members,** notably those exercising a delegation pursuant to the Delegations Framework, have a responsibility for advancing the Buy Local objectives and the principles and commitments of this Standard.

# References

* Delegations Framework
* Procurement Policy
* Procurement Guideline
* TasNetworks Procurement Plan Long Form
* TasNetworks Procurement Plan Short Form
* Covid-19 Response Procurement Policy
* TasNetworks Reflect Reconciliation Action Plan

# Compliance

All team members are responsible for complying with this Standard, and any breaches of this Standard will be treated seriously and may result in disciplinary action being undertaken.

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| Public Interest Disclosure Statement (“Whistleblowers”)If an individual is concerned about consequences associated with reporting a serious breach of this Standard, that individual should refer to the Whistleblower Policy available on The Zone or talk to their Leader. |

1. A circular economy aims to redefine growth, focusing on positive society-wide benefits. It entails gradually decoupling economic activity from the consumption of finite resources, and designing waste out of the system. It is based on three principles:

Design out waste and pollution;

Keep products and materials in use;

Regenerate natural system. [↑](#footnote-ref-1)
2. Robin Burton and Emma Tomkinson. The Sleeping Giant. A Social Return on Investment Report on Supply Nation Certified Suppliers. (Supply Nation, 2015), 5. [↑](#footnote-ref-2)