



Environment, Sustainability and Ethical Procurement Policy

Purpose

At Transform Aid International (TAI), we take social, environmental and financial factors into consideration when making decisions on the procurement of goods and services. We also take into account the risks of modern-day slavery in supply chains and elsewhere (Modern Slavery Act, 2018 (Cth)). Our procurement decisions should, where practicable, consider whole-life-cost and the associated risks and implications for individuals, society and the environment. We also strive to promote sustainability and environmental friendliness within our TAI offices.

This Policy seeks to promote our principles of sustainable and ethical practices and procurement. Procurement can make a significant contribution to our goals of sustainable economic development and resource minimisation by ensuring that the goods and services we acquire consider optimum environmental sustainability.

Procurement has an additional role to play in minimising any risk of exploitation within the supply chain. This responsibility not only makes good business sense, it also has the potential to improve the living standards and working conditions of people involved in the production of the goods and services we acquire.

Objectives

Environmental Sustainability - we believe that we have the capacity to improve the quality of the environment and reduce our impact whilst carrying out our work. TAI understands that we have a role and responsibility in ensuring that our work has a minimal impact on the environment, in order to benefit the health and wellbeing of our society and world.

Sustainable Procurement - we seek to prevent adverse social and environmental impact in the supply-chain of goods and services acquired, and ensure the procurement of such goods and services meet acceptable environmental sustainability standards. We aim to make purchasing decisions that meet organisational needs for goods and services in a way that not only benefits TAI, but benefits society as a whole, and has a minimal impact on the environment.

Ethical Procurement - we seek to ensure that people in the supply-chain are treated with respect and have rights with regard to employment, including the rights to freely choose employment, payment of an acceptable living wage, working hours that comply with national laws, equal opportunities, recognised employment relationship, freedom from intimidation, and a safe and healthy working environment.

Scope

This Policy applies to all TAI Representatives, particularly those personnel with procurement responsibility, as well as suppliers of goods and services.

Principles

Our International Programs Environment Policy commits TAI to protecting the environment when implementing programs to alleviate poverty. We have the same commitment to protecting the environment surrounding our own TAI offices. The WHS Committee considers the environmental impacts that our office activities are having. In doing so, TAI implements appropriate strategies that promote positive impacts and reduce negative impacts on the environment.

Through completing audits of our office space and by engaging in regular discussion about our environmental impact at WHS Committee meetings, TAI demonstrates a commitment to ensuring that we promote sustainability and environmental friendliness.

We use the following principles to guide our procurement decisions:

1. *Social Responsibility*

We expect our suppliers to commit to the principles of this Policy, including:

- **No Child Labour** - ensure all employees have attained the minimum age required in order to be legally employed
- **Free Association** - ensure their employees are free to choose to work for the supplier and free to leave the supplier. There should be no forced, bonded or involuntary labour
- **Minimum Wage** - ensure wages and benefits should at least meet industry or national legal standards
- **Working Hours** - comply with national laws
- **Healthy and Safe Environment** - promote a safe and hygienic workplace
- **Non-Discrimination** - promote equal opportunity in employment



- **Environment Friendly** - minimise impact on the environment including reduction in the use of resources, waste generation and by recycling where practical without affecting quality

2. *Collaboration*

We will:

- work collaboratively with suppliers and develop ongoing relationships by the principle of continuous improvement
- welcome, rather than penalise, suppliers identifying activities that fall below acceptable sustainability standards (undertaken by themselves or their sub-contractors)
- consider a similar ethical trading standard as a reasonable alternative where suppliers are already working towards sustainability

3. *Awareness Raising and Training*

We will, and we expect our suppliers to:

- Ensure that all relevant people are provided with appropriate training and guidelines to implement the requirements of these principles.

4. *Monitoring and Verification*

We will:

- Ensure the Workplace Health and Safety Committee reviews and advises on application of this Policy, including specific advice where relevant, on any major procurement planning, where our advocacy team produces a report on particular industry, it will be used as reference for relevant procurement relationships.

We expect our suppliers to:

- Where appropriate, provide reasonable access to relevant information, premises, and workers (through interviews) and cooperate in any assessment against this principle - using reasonable endeavours to ensure that sub-contractors do the same.

5. *Continuous Improvement*

We will, and we expect our suppliers to:

- apply a continuous improvement approach in agreeing schedules for improvement plans with suppliers not meeting this principle
- base improvement plans on individual case circumstances

Ultimately, we will not do business with a supplier where serious breaches of these principles are identified and where the supplier consistently fails to take corrective action within an agreed timeframe.

6. *Pre-Procurement Assessment*

- We will assess the manufacturer/brand's rating published in our Ethical Fashion Guide, and will not purchase from any manufacturer with an unacceptable rating as determined by the Committee.
- Environmental and social factors shall be considered in planning for purchasing. Specifically, we will consider what the product was made from, its durability, where it was made, by whom it was made, the processes involved in its production and distribution, what the disposal requirements are, and whether it can be reused or recycled.
- Use our purchasing power, where practicable, to influence and encourage suppliers to continuously plan and create environmentally and ethically produced products and services.

Responsibilities

The Chief Financial Officer is responsible for the strategic management of the Policy.

The Workplace Health and Safety Committee is responsible for the operational management of the Policy.

This Policy will be reviewed every three years, or sooner as required.

Related Policies and Procedures

This Policy should be read in conjunction with:

- Purchasing Policy
- Organisational Value for Money Policy
- International Programs Environmental Policy
- Financial Wrongdoing Policy
- Policy Development Policy
- Policy Development Procedure
- Ethical Fashion Guide



External References

Related legislation

- *Modern Slavery Act 2018* (Cth)
- *Modern Slavery Act 2018* (NSW)