

# Social Procurement Statement



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## 1. Vision

Cleanaway is committed to driving positive environmental, social, and governance (ESG) outcomes for our community, including through our supply chain. We have ambitious ESG goals which our suppliers play a critical role in achieving and as such, we care about who our suppliers are and how they do business. Ultimately, we believe all purchasing decisions need to consider sustainability criteria. We're committed to providing Cleanaway buyers with the required information and supplier options to enable choices that make a positive impact and contribute to achieving our mission of making a sustainable future possible.

## 2. Cleanaway operating context

Cleanaway Waste Management employs over 6,300 staff and a fleet of more than 5,000 specialist vehicles across 300+ locations around Australia. Supporting close to 140,000 commercial customers and 100 municipal customers, Cleanaway's operations work with a wide range of suppliers to ensure safe, reliable, and optimised services.

### 2.1 Local procurement

With over 300 sites around Australia, Cleanaway has a significant opportunity to contribute to small and social-minded businesses at a local level through procurement. The large majority of Cleanaway's supplier base are small to medium local businesses, many of which are in regional areas. We're proud at Cleanaway that we're able to work with our communities to create jobs and promote local economic growth.

### 2.2 Market engagement

Led by Cleanaway's Head of Procurement and overseen by Cleanaway's Chief Operating Officer, Cleanaway runs a thorough tendering process for spend over a specific threshold to ensure that large contracts meet our requirements for capability, quality, commercial competitiveness, and alignment to our social procurement values. As part of Cleanaway's tendering process suppliers are required to provide information about their own supply chain management, diversity and inclusion (D&I) commitments and contributions to Aboriginal and Torres Strait Islander (ATSI) groups.

### 2.3 Internal training

All white-collar workers at Cleanaway undertake compulsory training on diversity and inclusion and modern slavery. In addition, Cleanaway buyers are all trained on ethical procurement standards as a part of their standard induction process, including business ethics.

### 3. Policies and framework

Six of Cleanaway's company policies underpin our approach to social procurement: our Corporate Governance Code of Conduct, Anti-Bribery and Corruption Policy, Modern Slavery Statement, Diversity & Inclusion Statement, Reconciliation Action Plan and Supplier Code of Conduct.

Corporate Governance Code of Conduct	The <a href="#">Code of Conduct</a> describes the mission, values, objectives, responsibilities of the Board of Directors, focusing especially on assuring Cleanaway's standards around ethics and risk management. The Code is reviewed and updated annually.
Anti-Bribery and Corruption Policy	Cleanaway requires its employees to understand and comply with its <a href="#">Anti-Bribery and Corruption Policy</a> , which clearly defines bribery and corrupt business practices and promotes transparent ways of conducting business. The policy is reviewed and updated annually.
Modern Slavery Statement	Cleanaway's <a href="#">Modern Slavery Statement</a> , published annually, identifies potential modern slavery risks in our operations and supply chain and outlines our actions to mitigate against those risks. This reporting is in compliance with Australia's Modern Slavery Act of 2018 ( <i>Cth</i> ).
Diversity & Inclusion Statement	Documented in our <a href="#">Diversity and Inclusion Policy Statement</a> , our commitment to diversity and inclusion extends to all areas of our business and at all levels of the company. The Board determines Cleanaway's diversity objectives, and the Executive Team takes the leading role in reviewing progress against those objectives and reporting on progress to the Board.
Reconciliation Action Plan	Cleanaway endorses the vision of a nation which values ATSI heritage, cultures and peoples and recognises their unique position as the original custodians of Australia. We take responsibility to ensure our business reflects the values of inclusion and diversity throughout our workforce. We are proud of the different programs and initiatives, both underway and planned, to support ATSI peoples around Australia through our <a href="#">Reconciliation Action Plan</a> .
Supplier Code of Conduct	All Cleanaway suppliers must agree and adhere to the Cleanaway <a href="#">Supplier Code of Conduct</a> which reflects our company's expectations regarding human rights, safety, business integrity, diversity and inclusion, and community and environmental standards.

### 4. Enterprise standards

#### 4.1 Social procurement

A social enterprise has a social purpose that is core to its focus and structure, generates income from its activities (as opposed to grants), and distributes profit in a way that aligns with its social purpose. In FY21, Cleanaway spent over \$3 million with Australian social enterprises that provide well-paying and low-barrier employment opportunities for disabled Australians, socially impactful recycling and reuse programs, and other strategic partners.

#### 4.2 Sustainability

Cleanaway's mission is to make a sustainable future possible. Our mission has several implications for how we conduct our Procurement activities.

All tenders run by the Procurement function include mandatory questions regarding a suppliers' sustainable practices and compliance. These questions are weighted and considered as part of a formal evaluation. We consider rigorous sustainable practices, particularly exceptional environmental compliance, as a mandatory requirement to be considered for a supplier relationship with Cleanaway.

With the help of our Environmental and Engineering teams, the Procurement function works to ensure civil engineering and infrastructure projects meet or exceed compliance requirements set by

environmental protection agencies and local government. This includes ensuring our waste collection facilities have rigorous measures in place to protect our communities via careful management of ground water, leachate, stormwater, landfill gases, and erosion among other things.

#### 4.3 **Aboriginal and Torres Strait Islanders (ATSI) commitment**

Cleanaway recognises Aboriginal and Torres Strait Islander (ATSI) businesses in our procurement system and is working with sites to raise awareness for these suppliers. Some of the opportunities that we have identified to use ATSI-affiliated suppliers include labour hire, workwear, site maintenance, logistics, and landscaping. In FY21 over \$6M was spent with Indigenous-owned organisations.

Cleanaway policies collectively create an environment that encourages opportunities for ATSI businesses and employees, and outline actions to ensure Cleanaway's service delivery is culturally sensitive and effective.

Following recommendations from our RAP, we released a directory of ATSI-owned businesses to local branches to encourage higher utilisation of their services. Where possible, we aim to include a social enterprise or Indigenous-owned supplier in the tendering process to increase the number of social businesses being considered for contracts.

#### 4.4 **Modern slavery**

Cleanaway has a program to identify, assess and monitor modern slavery risks in its operations and supply chain. Cleanaway releases a [Modern Slavery Statement](#) annually which includes a summary of our modern slavery risk assessment and processes.

All Procurement staff are trained to identify modern slavery risks as part of their onboarding process via completion of an ethical sourcing online learning module. This ensures awareness in the sourcing team which translates to a culture of ethical sourcing within the function.

#### 4.5 **Governance and compliance**

All Cleanaway suppliers must ensure their operations comply with the law. They must agree to abide by our [Supplier Code of Conduct](#), which reflects our company's expectations regarding human rights, safety, business integrity, diversity and inclusion, and community and environmental standards.

In addition, all Procurement tenders assess suppliers on their Sustainability and Modern Slavery practices.

As part of our standard procurement process, Cleanaway requires its suppliers to warrant their adherence to both the Cleanaway Code of Conduct and the requirements of the Modern Slavery Act of 2018 (*Cth*). This is achieved by including relevant obligations in Cleanaway's contracts with suppliers.

## 5. **Continuous improvement and next steps**

Cleanaway strives to deepen our commitment to creating positive social outcomes via our procurement policies and practices. We recognise there is no end point to this journey as we can always do better. We have a plan to iteratively improve on our sustainability performance, and to ensure our Cleanaway values are present and upheld in our supply chain as well as our business.