Sustainable Procurement Statement



Empowering South Australia

Leading the transformation of energy services for a sustainable future.

SA Power Networks is committed to contributing to a sustainable community and environment. We wish to work with those suppliers who share our commitment.

Information on Future Energy can be found here: <u>Future</u> <u>energy – SA Power Networks</u>

"In the Energy Industry, there has been a significant focus on sustainability, as governments have implemented policies including a shift towards NetZero and ESG."

"Many consulting firms believe that, on average, two thirds of the average organisation's ESG footprints lie with its suppliers".

– Energy Procurement Supply Association (EPSA) 'Procurement and Supply Chain in a Changing World'.

Capability and experience are key considerations in all procurement related decisions made by SA Power Networks.

Increasingly, supplier alignment with our commitment to a sustainable future will factor into decision-making as we seek to work with suppliers who will contribute towards improved Environmental, Social and Governance responsibility.



Social responsibility

We actively seek to engage with suppliers that represent the diversity of the communities we work in and who share our focus on the importance of the health and safety of their workforce and the community.

Health and Safety

Safety is our number one priority and our safety record is one we are proud of. We will not compromise safety in any supplier selection decisions, nor throughout the duration of any engagement. All suppliers can expect to demonstrate and maintain safety management systems that comply with WHS Laws and meet SA Power Networks standards.

Suppliers who use heavy vehicles will be required to demonstrate compliance with Chain of Responsibility (CoR) legislation prior to engagement with SA Power Networks.

South Australian businesses

We recognise the impact of our business opportunities on the local economy, and we are committed to providing opportunities to suppliers within our State. This includes small business and diverse business that have the skills and experience to support us in the transformation of energy services.

The opportunities may not always be directly with SA Power Networks; they may be indirect through our larger suppliers who we encourage to engage local diverse businesses where possible. As a member of Supply Nation, we are committed to meeting the objectives of our membership and actively seek opportunities to engage with Indigenous business.

We offer shorter payment terms to small business and have processes in place to ensure prompt payment of correctly rendered invoices. As a Reporting Entity under the *Payment Times Report Act 2020* our payment time data is publicly available.

Modern Slavery

We are committed to doing what is right to minimise the likelihood that our sourcing and procurement of goods and services throughout our supply chain is not marred by modern slavery.

Our Modern Slavery Statement, which is available in the <u>Online Register</u>*, details the actions we will be undertaking, and it is important that our suppliers understand how these actions impact our supply chain.

Suppliers will be required to provide information on policies and practices for identifying and managing the risk of modern slavery within operations and supply chains and will be required, at a minimum, to comply with anti-slavery and human trafficking laws.

Identifying country of origin when providing quotes for goods and services will support transparency in our supply chain and we welcome suppliers who provide this clarity.

*Australian Border Force Online Register for Modern Slavery Statements: https://modernslaveryregister.gov.au/

Environmental responsibility

We are committed to contributing to positive environmental outcomes. Our suppliers are instrumental in helping us achieve this outcome through practices that respect and conserve the environment.

When making selection decision and through the lifecycle of the engagement, we will request evidence of suppliers' environmental responsibility commitment that is beyond purely legislative compliance. We will seek to understand active measures our suppliers are taking to reduce emissions, source materials sustainably, dispose of waste responsibly, and protect and conserve the natural environment.

Our suppliers will be instrumental in supporting us achieve our environmental sustainability goals and targets.



Governance

We are proud of our reputation for honesty, integrity and excellence in dealing with customers, suppliers, businesses, stakeholders and the community, and we expect our suppliers to maintain the same standards.

Our staff are bound by our Code of Conduct which establishes the key principles by which they work, and we work with suppliers who maintain the same standards.

To support our business ethics, hawse have a Whistle-blower line. The details can be found here: <u>Whistleblower reporting –</u> <u>SA Power Networks</u>

We have a range of business processes and controls in place, including segregation of duties, delegations of authority and internal and external audits to protect both the governance of procurement decision-making processes, and supplier information we hold in our systems.

Transparency, confidentiality and fairness

We treat suppliers fairly at all stages of the procurement process. These processes are designed to ensure the transparency and fairness of our procurement decisionmaking.

During a tender process, suppliers may only communicate with the nominated contact from SA Power Networks to maintain probity of the decision-making process.

Suppliers may have access to SA Power Networks confidential information during a tender process, and the confidentiality of this information must be maintained.

Requests by suppliers to change information we hold in order to make payments, such as bank account details, will be verified with you prior to changes being made.

Gifts and hospitality

Our staff can only accept gifts, including hospitality, travel or accommodation, if it meets certain criteria and will not influence or be perceived to influence decision making in the conduct of our business. Suppliers should not offer gifts in an attempt to influence a positive procurement outcome, nor any other SA Power Networks decision.

Bribery and corruption

We do not tolerate bribery or corruption in any form. We will escalate any cases of bribery or corruption to the relevant authorities.

Conflicts of Interest

It is common during the normal course of business that our staff will have a personal connections or interests with different organisations.

We require staff involved in a procurement activity to declare any personal interest which may affect, or appear to affect, their impartiality or judgement in respect of their duties.

We expect that our suppliers apply a similar process when working with us, including where making sub-contracting decisions.

Together with our suppliers we can set and achieve sustainable procurement targets.

Sustainable procurement

"Procurement that has the most positive environmental, social and economic impacts possible over the entire life cycle and ensures that the needs of the present are met without compromising the ability of future generations to meet their own needs".

– ISO 20400 Sustainable Procurement