

Guide to Social and Indigenous Procurement

A practical guide to social and
indigenous procurement for the
property industry.

2024



In partnership with

Social

Traders

Unlocking business for good



Supply Nation

Preface



Property is Australia's largest industry. Contributing 13 per cent of Australia's GDP, the property industry creates and builds the places where people live, work, connect, learn and play.

Property also enables hundreds of other industries to thrive. From large scale logistics, manufacturing and heavy industry to small businesses, offices, shops and cafés, property is the backbone of Australia's economy.

We have a rich, proud history of improving the lives of all Australians and creating places for all stages of life. But there is always room to do more – and with such influence and impact across the economy, property companies can harness their significant procurement power to do just that.

By making conscious choices about the suppliers they work with, property companies can build strong and sustainable businesses while delivering value to people and the planet. It's a simple but powerful idea that doubles the difference we make in our communities.

According to Social Traders, certified social enterprises employ 26,000 Australians and generate combined annual revenues of \$1.8 billion. Social Traders has found that 39% of certified social enterprises generate 100% of their revenue from trade. This means social enterprises work best in partnerships to deliver impact.

This Guide to Social Procurement was developed as a starting point for property companies embarking on their

search for partners and looking to expand their positive impact through their procurement choices.

The Guide has been developed in collaboration with Social Traders and Supply Nation to establish a common language for the industry's approach to social procurement.

The Guide also provides practical advice to businesses looking to extend their social impact through their procurement choices and acknowledges the significant work already underway through a series of case studies.

I applaud the work undertaken by the Property Council's National Social Sustainability Roundtable as well as the valuable contributions from Social Traders and Supply Nation in developing this Guide.

This is a rapidly evolving space for innovation. We hope this Guide inspires new ideas and new approaches about how social procurement can enable the property industry to drive positive change in the communities we serve.

Mike Zorbas
Chief Executive
Property Council of Australia



Since 2009, Supply Nation has worked with Aboriginal and Torres Strait Islander businesses alongside procurement teams across government, corporate and not-for-profit Australia to help shape today's emerging and rapidly growing Indigenous business sector.

Our Social Return on Investment report found that for every \$1 invested with an Indigenous business, \$4.41 of social and economic value is generated. That means that your dollar is working 4 times harder when spent with an Indigenous owned business. These businesses are up to 100 times more likely to employ Indigenous Australians and reinvest their revenue to support their communities.

We also know that diverse supply chains are more sustainable, flexible and innovative. Supporting our most marginalised communities is simply, good business.

We congratulate the Property Council of Australia and recognise all that contributed to developing this important guide to support businesses through their procurement choices and deliver transformative social impact.

Kate Russell
Chief Executive Officer
Supply Nation



We commend the Property Council of Australia for creating this important guide for the property sector on the transformative power of social procurement to drive sustainable benefits.

Social procurement is a tool for double value creation – achieving commercial objectives while also supporting communities where you operate. When you include social enterprises in your supply chain, you're not only buying the goods and services you need, but you're supporting the most marginalised Australians and the environment.

Our contribution to the insights, solutions and illustrative cases presented in this guide are built on six years experience working with social enterprises and the property sector in Australia. It's fantastic to see the conversation about social procurement shifting from 'why' to 'how', which this guide demonstrates.

Now is the time to join the frontrunners who are already leading the charge in better business. Research across Australia and New Zealand shows that 86% of businesses expect their social procurement activity to increase.

Through the deliberate inclusion of social enterprises in procurement strategies, we can unlock a multitude of benefits for both the property sector and the wider community.

A big thank you to all the contributors, experts, and industry partners who have collaborated on this guide. Your commitment to social procurement and your dedication to creating a positive impact is a powerful tool to support more people on this transformative journey. Together, we are forging a path towards a more socially responsible and sustainable property sector.

Tara Anderson
Chief Executive Officer & Director
Social Traders

Table of contents

About the Property Council	5
About Supply Nation	5
About Social Traders	5
Executive summary	6
How to use this Guide	6
What is social procurement?	7
Types of social procurement partners	8
Value proposition	9
Good practice case studies	10
Vicinity Centres and Wilco Electrical form a powerful partnership	11
Lendlease and Ngali support First Nations design at Melbourne Quarter	12
Stockland takes a novel approach to Indigenous tenders	13
CBRE, EG Funds and ARA create change through cleaning contracts	13
Charter Hall and Two Good deliver social benefit at scale	14
Mirvac invests in capacity building in the social enterprise sector	14
JLL and Community Concierge offer service with a smile	15
ISPT and Youngster.co bridge the digital divide and the generation gap	16
ICON provides employment opportunities for The Big Issue's Women's Workforce	17
Goodman uses green waste recycling to support Indigenous employment	18
Cushman & Wakefield delivering a sustainable coffee service	18
Getting started	19
Engaging your organisation	20
Implementing social procurement	21
Measuring your impact	22
Emerging opportunities	25
Where to go for help	25
Glossary of terms	26
Resources	27
References	28

About the Property Council

The Property Council of Australia champions the industry that employs 1.4 million Australians and shapes the future of our communities and cities.

Property Council members invest in, design, build and manage places that matter to Australians: our office buildings, industrial complexes, education, research and health precincts, tourism and hospitality venues, retirement villages, shopping centres, residential and more.

On behalf of our members, we provide the research and thought leadership to help decision-makers create vibrant communities, great cities and strong economies.

We support smarter planning, better infrastructure, sustainability, and globally competitive investment and tax settings which underpin the contribution our members make to the economic prosperity and social well-being of Australians.

About Supply Nation



Since 2009, Supply Nation has worked with Aboriginal and Torres Strait Islander businesses along with procurement teams from government, corporate and not-for-profit Australia to help shape today's emerging and rapidly evolving Indigenous business sector.

Supply Nation's **5-step verification process** (Supply Nation, 2023) provides peace of mind by ensuring that all businesses are listed on Australia's largest national directory of Aboriginal and Torres Strait Islander businesses, Indigenous Business Direct. This means they are not only Indigenous-owned but are regularly audited for changes in company structure and ownership.

In addition, Supply Nation receives daily updates from the Australian Securities and Investments Commission to inform real-time audits. This reinforces the integrity and accuracy of Indigenous businesses listed on Indigenous Business Direct.

Supply Nation partners with a paid membership of government, corporate and not-for-profit organisations to develop procurement policies that redirect spend to include the traditionally under-utilised Indigenous business sector.

About Social Traders



Social Traders is the trailblazer of social enterprise procurement in Australia, connecting certified commercial entities that operate with a social purpose with business and government. By activating the power of social enterprise procurement, Social Traders facilitates positive impact through job creation, community services and support for the most marginalised.

Social Traders' vision is to build a thriving social enterprise sector that significantly contributes economically and socially to a more inclusive and equitable Australia. The organisation's mission is to work collaboratively to deeply integrate social enterprises into business and government supply chains.

Executive Summary

Social procurement is when organisations use their purchasing power to generate positive social impact beyond the value of the goods or services they need.

Commercial businesses have the power to deliver transformative social impact. Social procurement is focused on explicit types of social impact, specifically by working in supplier diversity and social benefit suppliers.

A significant part of the ecosystem of social benefit suppliers are Social Enterprises. Social enterprises employ 26,000 Australians and generate combined annual revenues of \$1.8 billion (Social Traders, 2022). Social Traders has found that 39% of certified social enterprises generate 100% of their revenue from trade.

Social procurement offers a clear value proposition: growth and innovation; revenue diversity; resilience; return on investment; reputation; social responsibility and talent management.

The report outlines the steps for property companies to take on the social procurement journey:

- 1. **Getting started:** Learn the nine steps that help you to lay the groundwork for successful social procurement.
- 2. **Engaging your organisation:** Achieve a structured approach that integrates social procurement into your broader procurement mix.
- 3. **Implementing social procurement:** Establish systems, set targets, track progress, and collaborate.
- 4. **Measuring your impact:** Assess both the qualitative and quantitative outcomes.
- 5. **Emerging opportunities:** Mine a rich vein of innovation and market differentiation.

Some Property Council members are already stepping up the pace of social procurement. This guide includes several inspiring illustrations:

- **Vicinity Centres** and **Wilco Electrical** have formed a powerful partnership focused on Aboriginal apprenticeships.
- **Lendlease** and **Ngali** support First Nations design.
- **Stockland** is taking an innovative approach to Indigenous tenders.
- **CBRE, EG Funds** and **ARA** create change through cleaning services.
- **Charter Hall** and **Two Good** have installed touch-free soap dispensers that empower women and eliminate plastic.
- **The GPT Group** is investing in First Nations procurement and supplier diversity.
- **Mirvac** invests in capacity building in the social enterprise sector.
- **JLL** and **Community Concierge** using professional concierge services to provide inclusive employment
- **ISPT** and **Youngster.co** are bridging the digital divide and the gap between generations
- **ICON** is providing employment opportunities for The Big Issue's Women's Workforce
- **Goodman** is using green waste recycling to support Indigenous employment.

How to use this Guide

This Guide outlines the benefits of social procurement and includes tools, tips, case studies and references to assist Property Council members and the wider industry. The Guide provides a step-by-step process to help you develop a social procurement framework for your business. It offers suggestions and ideas to consider, as you progress on your social procurement journey and deliver positive impacts back into the communities in which you operate.

What is Social Procurement?

Social procurement is when organisations use their purchasing power to generate positive social impact beyond the value of the goods or services they need. Social procurement is an impactful way for businesses to progress their Environmental, Social and Governance (ESG) goals through their choice of suppliers - and there are some key nuances to social procurement that are worth unpacking.

Supplier diversity is a business strategy that encourages a diverse supplier base in an organisation's procurement decision making. This strategy benefits both businesses and diverse communities by redirecting procurement spend to traditionally under-represented businesses where it can create greater social good and give business a strong competitive advantage.

This generally means encouraging the purchase of goods and services from businesses owned by, or that assist, under-represented social groups. Depending on the country and social context, this can include purchasing from businesses that are owned by particular ethnic communities, First Nations people, disability enterprises, women-owned, veteran-owned, or LGBTI+-owned businesses.

Social enterprise procurement are businesses like any other, with clear financial objectives, generating a significant portion of their revenue from trade while aligning to their mission to deliver social or environmental benefits.

Social enterprises cover a broad scope of operations, from creating jobs for people experiencing social disadvantage to tackling homelessness, and from addressing food waste to protecting the environment. While each may have a unique social purpose all social

enterprises share a reason for operating on a 'beyond profit' basis. It is this social mission that drives all their efforts.

Most **Indigenous businesses** are not social enterprises, but commercially registered for-profit businesses that are majority-owned and run by Indigenous people. Purchasing from such businesses addresses supplier diversity.

Some Indigenous businesses, however, are social enterprises or registered not-for-profit corporations. Purchasing from these Indigenous enterprises is also part of social procurement, with Supply Nation's Social Return on Investment report finding that every \$1 spent with Indigenous businesses generates \$4.41 of social and economic value.

As commercially run Indigenous businesses also have significant social impact and generate social value for Indigenous communities, including them in a firm's supply chain can meet the definition and objectives of both supplier diversity and social procurement.

The same principles can also be applied to businesses that are majority-owned and run by women or LGBTI+ people, for example. Importantly, more than 1,350 of the 4,500 businesses listed on Indigenous Business Direct are owned by Aboriginal and/or Torres Strait Islander women, illustrating the need to approach supplier diversity and social procurement through an intersectional framework. Working with any social benefit suppliers should deliver the same quality goods and services that a business needs, with the added co-benefit of delivering positive social impact.



Types of Social Procurement Partners

The range of possible social procurement partners is as diverse as the people who run the enterprises and the issues they address. It is not always possible to offer definitive guidance in a dynamic and rapidly-shifting social landscape – but where possible, we provide a common set of terms as a starting point.

Social Enterprise	Indigenous Business	Australian disability enterprises
<p>How do I identify a Certified social enterprise?</p> <p>There are many vehicles to drive social impact, from non-profits to crowdfunding platforms, worker-owned cooperatives to community-based organisations. All certified social enterprises have three common traits. They:</p> <ol style="list-style-type: none">possess a defined primary social, cultural or environmental purpose consistent with a public or community benefitderive a substantial portion of their income from tradeinvest efforts and resources into their purpose such that public or community benefit outweighs private benefit.	<p>How do I identify an Indigenous business?</p> <p>An Indigenous business is one that is 50% or more Indigenous owned (Indigenous Procurement Policy Guide, 2020).</p> <p>Supply Nation maintains Australia's largest verified directory of Indigenous businesses. Many Indigenous businesses do not operate as social enterprises.</p> <p>How do I connect with Indigenous businesses?</p> <p>Visit the Supply Nation website and search the directory in your desired category.</p>	<p>How do I identify an Australian disability enterprise (ADE)?</p> <p>ADEs are generally not-for-profit organisations providing supported employment opportunities to people with moderate to severe disability across Australia.</p> <p>How do I engage an ADE?</p> <p>Visit: buyability.org.au</p>
Majority women owned businesses	Local suppliers	Majority LGBTI+ owned businesses
<p>How do I identify a majority women owned business?</p> <p>There is no universal definition for 'majority women owned businesses' (UN Women, 2023) and local context should be considered. We suggest a business must be owned in whole, or at least 50% by one or more women. Women must also exercise control over both the long-term decision-making and the day-to-day management and administration of the business operations. Many women owned businesses do not operate as social enterprises.</p> <p>How do I engage female owned businesses?</p> <p>In Australia, WeConnect International manages a database for identifying and engaging women owned businesses.</p>	<p>How do I identify a local business?</p> <p>This depends on your definition of "local" which could be in the immediate council area where you operate, or in the same country of operation.</p> <p>How do I engage a local business?</p> <p>Local councils usually have a listing of small businesses operating in their area of jurisdiction.</p> <p>If you are searching for Australian-owned and run businesses, visit Australian Owned which verifies and certifies Australian ownership claims.</p>	<p>How do I identify a majority LGBTI+ owned business?</p> <p>There is currently no agreed definition on what constitutes an LGBTI+ owned business.</p> <p>However, a business that is owned in whole, or at least more than half, by a person or people belonging to the LGBTI+ community, may represent an initial step.</p> <p>How do I engage an LGBTI+ owned business?</p> <p>In Australia, there is no representing body for LGBTI+ owned businesses. Some businesses do advertise their ownership and support of LGBTI+ members of the community.</p>

Value Proposition

Value Pillars The following table outlines how social procurement can provide strategic opportunity for value creation and enhancement to your projects, and organisation more broadly.

Growth and Innovation	Revenue diversity	Resilience	Return on investment
Strategies to deliver value	Strategies to deliver value	Strategies to deliver value	Strategies to deliver value
<ul style="list-style-type: none">Develop a diverse supplier base that delivers high quality, consistent and sustainable products and services to meet requirements.Seek opportunities for growth and innovation through a structured partnering process and enabling technology.	<ul style="list-style-type: none">Engage with government agencies, many of which require social benefits from contractors they engage.Clearly demonstrate that your organisation meets the requirements set in place by government to elevate the chances of being the successful tenderer.	<ul style="list-style-type: none">Diversify supply chains to strengthen resilience in times of economic turmoil.Ensure that a part of your organisation's spend goes to social enterprise to encourage diversification in suppliers.	<ul style="list-style-type: none">Turn spend into external social investment and maximise ROI through end-to-end lifecycle business engagement.Tailor your supplier base to best meet business needs while minimising supply chain disruption.Leverage actionable insights behind spend and market trend data enabling decision-making for competitive advantage.
Benefits	Benefits	Benefits	Benefits
Collaborative development of new ideas supports better social outcomes at scale.	Greater access to government contracts and projects.	Greater resilience in supply chains.	Generate more value for spend by diversifying supply base and fulfilling socio-economic outcomes.

Reputation	Social responsibility	Talent management
Strategies to deliver value	Strategies to deliver value	Strategies to deliver value
<ul style="list-style-type: none">Shape and uphold the highest standards for responsible social procurement as an industry leader.Promote collaboration to accelerate environmental and social improvements across the supply chain.Ensure foundations for robust governance are in place.	<ul style="list-style-type: none">Deliver improved social outcomes.Support local communities where projects are delivered.Recognise supplier success stories.Create a commercial market of diverse suppliers.	<ul style="list-style-type: none">Create a work environment that attracts and retains top talent.Develop talent through exposure to diverse fields.Ensure 'for purpose' values in supply chain are aligned with employees' personal values.
Benefits	Benefits	Benefits
Gain market confidence in collaborating with a good practice partner.	Vested interest in mainstreaming industry take-up and supporting social enterprise successes.	More highly engaged workforce and improved talent retention.

Good Practice Case Studies

Vicinity Centres and Wilco Electrical form a powerful partnership

'From little things big things grow' epitomises the thriving and evolving partnership between Wilco Electrical and Vicinity Centres in Western Australia. In 2018, Wilco Electrical, an Aboriginal-owned business certified by Supply Nation, was included on Vicinity's repairs and maintenance panel as a contractor. Based on positive feedback and the company's potential, Wilco Electrical was invited to tender for low voltage preventative compliance testing and maintenance – and was successful.

From a team of nine in 2016, Wilco has expanded, creating 14 electrical apprenticeships for Aboriginal people and generating strong social impact outcomes in the process. Three of these 14 apprenticeships were made possible directly as a result of Vicinity workload over the past five years. Wilco Electrical continues to build skills and job opportunities for Aboriginal and Torres Strait Islander people in the electrical industry.



Lendlease and Ngali support First Nations design at Melbourne Quarter

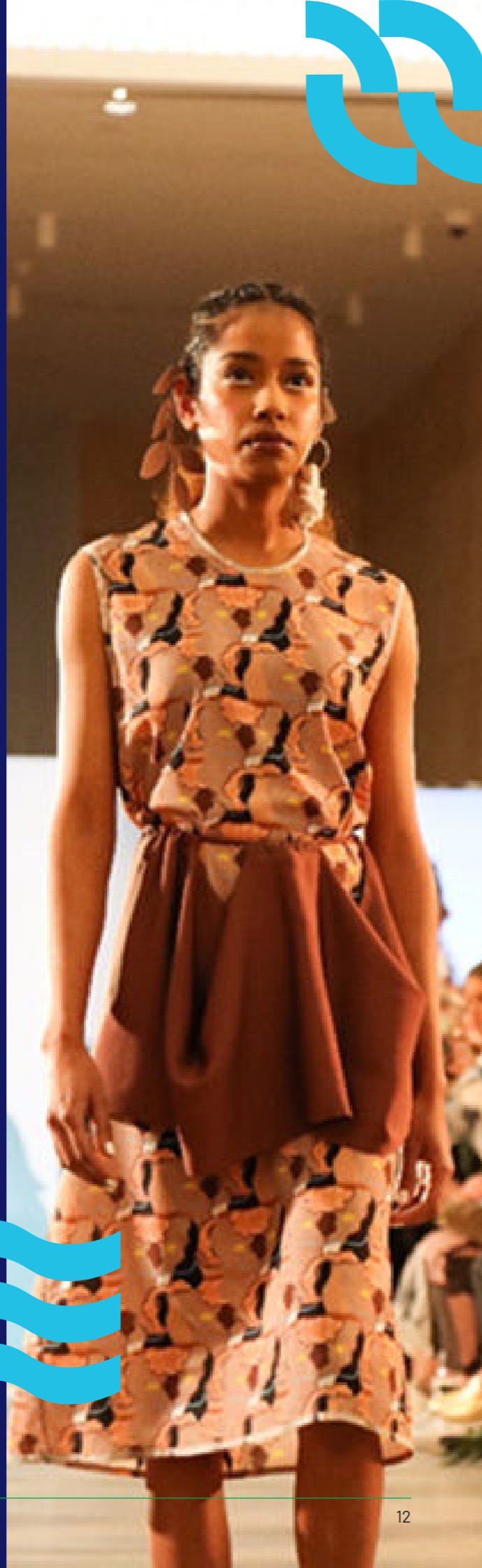
In 2022 Lendlease commenced a collaboration with First Nations fashion brand, Ngali, to open its fashion studio within the Melbourne Quarter precinct.

The fashion studio, founded by Wiradjuri designer, Denni Francisco, is the brand's first-ever exclusive retail experience that celebrates First Nations culture and creativity.

The studio opening was marketed at Melbourne Fashion Week with a dynamic runway event that showcased Ngali's latest collection, hosted in the lobby of One Melbourne Quarter – the first of many events and activations that Lendlease and Ngali will deliver together.

Lendlease's approach to First Nations engagement presented a tremendous opportunity to tell the stories of First Nations people, to support First Nation design and business development, and create and connect existing and future communities.

The collaboration between Lendlease and Ngali delivers a space for exchange and interchange of ideas, dialogue, culture and experiences.



Stockland takes a novel approach to Indigenous tenders

With clear objectives outlined in its RAP, Stockland sought to increase procurement spend on Indigenous business by taking a novel approach to tendering. The challenge was clear. During conventional tendering processes, Indigenous contractors were at a disadvantage and their success rate was extremely low, and single selections of Indigenous enterprises raised value-for-money issues.

The solution was an Indigenous-only panel process. Stockland first sought advice to avoid issues of anti-competitive behaviour, and then developed a list of more than 100 suppliers. A shortlist of 14 suppliers was then engaged in a culturally appropriate way.

Stockland's procurement team met with each contractor, listening and learning about their culture, history and business before discussing their procurement plans and the proposed process. To support this, Stockland engaged Nurra Advisory and established a 'Meet and Yarn' guide. Each project manager was also supported to align outcomes with RAP objectives.

This approach delivered a \$6.1 million spend on Indigenous enterprise, surpassing the Stockland RAP target of \$4 million. It also delivered value creation for Indigenous enterprises and cultural enrichment for Stockland employees.

CBRE, EG Funds and ARA create change through cleaning contracts

In 2022, CBRE and EG Funds announced a new partnership with ARA Indigenous Services (ARA). A three-year contract, awarded through a competitive tender process, has engaged ARA to provide cleaning services to EG Funds' office buildings in the CBDs of Sydney and North Sydney, which are managed by CBRE.

ARA's mission is to strengthen partnerships between Indigenous and non-Indigenous Australians and to increase Aboriginal and Torres Strait Islander employment opportunities. Twenty-two per cent of

ARA's workforce identify as Aboriginal or Torres Strait Islander, more than 12 times the national workforce average of 1.7%. ARA's dedicated engagement team works closely with community partners, local and community leaders to identify employment gaps and foster uptake of qualified candidates to join their workforce. Through tailored programs, ARA supports each employee with the resources to develop and grow personally and professionally. ARA is part of CBRE's Partner Excellence Program (PEP), which supports diverse suppliers, including Indigenous businesses and social enterprises.

Charter Hall and Two Good deliver social benefit at scale



With health and safety in the headlights, Charter Hall and certified social enterprise, Two Good Co, came together in 2021 to install more than 5,000 touch free soap dispensers across a large office portfolio.

The soap dispensers were made with recycled ocean waste by women who had previously experienced domestic violence and homelessness. The social procurement partnership has used Charter Hall's scale to deliver an essential product, remove 2.5 tonnes of plastic from our oceans and generate more than \$220,000 of annual revenue to employ and empower women who have survived homelessness, domestic violence and complex trauma.

GPT builds a roadmap for change

Over the last five years, The GPT Group has spent more than \$14 million with Supply Nation verified Indigenous businesses. And with the right partnerships, systems and awareness in place, GPT intends to expand this engagement.

After becoming an official member of Supply Nation in 2021, GPT was connected to a specialised relationship manager to build a roadmap that embedded First Nations procurement across the business. This process gave GPT insight into how its historic spend could be expanded across a range of services, including IT infrastructure, cultural learning, specialised consultants and builders.

GPT hosted webinars and education sessions to help its employees and customers learn more about the benefits of supplier diversity and the sophisticated First Nations enterprise network in Australia. GPT also invested in a new supplier management platform, Felix, which offers clear visibility of compliance information and supplier attributes. This helps GPT's team to understand the broader social procurement partnership opportunities beyond Supply Nation businesses.

JLL and Community Concierge offer service with a smile

Since 2018, Community Concierge has collaborated with JLL to deliver tailored, professional and cost-effective concierge services while bringing people with disability into the mainstream workforce.

The Community Concierge team are trained and fully qualified to deliver a full range of concierge services, from greeting tenants and providing directions, to organising taxis, dry cleaning and courier services. The shared value partnership continues to expand across the JLL portfolio to create a more diverse, welcoming and inclusive environment for all.

Mirvac invests in capacity building in the social enterprise sector

In 2018, Mirvac set a target to invest \$100 million in the social sector by 2030, despite their uncertainty about the specific route to achieve this target.

In subsequent years, they acknowledged the necessity of helping to expand the pool of social suppliers capable of delivering goods and services at the level required by an ASX listed property company.

In 2023 Mirvac partnered with Social Traders to create the Supplier Development Program. This initiative sees Mirvac, supported by Social Traders, work alongside four social enterprises, to help boost their capabilities and capacity to accelerate their growth.

Sarah Clarke, Mirvac Group General Manager, Sustainability said, "Our aim is to empower these social enterprises to scale-up, so we can do more business with them as part of Mirvac's goal to direct \$100 million to the social sector by 2030. Buying from suppliers who make a positive social impact allows us to use our purchasing power for good."

The program was launched in July 2023 and received an impressive 48 expressions of interest with the following four social enterprises selected:

- **ReGround:** who exist to help individuals and organisations create positive change through waste collection and minimisation.
- **YMCA ReBuild:** proudly delivering commercial construction services while employing young people who have been in contact with the criminal justice system.
- **CommUnity Construction:** empowering refugee and asylum seekers to build new lives.
- **Green Connect:** creating jobs that are good for people and the planet by reducing waste.

Over the 12-month program, a group of Mirvac mentors will share their skills and expertise with the growing social enterprises, giving insights and learnings into how to become 'revenue ready' to supply materials and services to large businesses like Mirvac.

If successful, Social Traders will open the program to other buyer members enabling them to amplify the impact across various sectors.



ISPT and Youngster.co bridge the digital divide and the generation gap

ISPT has collaborated with Youngster.co, a certified social enterprise connecting tech-savvy youngsters with seniors that need help with technology. The program allows generations to come together, share their stories and gain new skills. The collaboration has empowered senior members of the community and given young people meaningful, paid community work, creating a space where seniors are engaged and respected while young people are valued, learn essential life skills and are part of a vibrant community.

Between January 2022 and April 2023, 983 bookings were made, with 90% of the tech problems solved. Participants gave an average star rating of 4.9 out of 5. The program is currently in place at five ISPT retail centres and is expected to expand in FY2024.



ICON provides employment opportunities for The Big Issue's Women's Workforce

ICON is part of a consortium that has partnered with the Victorian Government's Homes Victoria on a major project to redevelop three public housing precincts in metropolitan Melbourne. Housing sites in Brighton, Flemington and Prahran will deliver more than 1,100 new homes with a 50:50 split of social to market rental housing.

Delivering works notices for most projects are undertaken in-house, but ICON and Homes Victoria have collaborated with The Big Issue to create employment opportunities

for marginalised Australians as they keep local communities informed. ICON engaged The Big Issue's Women's Workforce to assist with notifications, securing long-term employment for seven women until 2024. The partnership officially commenced in June 2021 and the seven women who, through various circumstances, were unable to access mainstream employment, now assist with printing, mailing and letterbox drop services of works notifications and newsletters.



Goodman uses green waste recycling to support Indigenous employment

Goodman, in partnership with 11 landscaping contractors in NSW, has introduced a ‘green waste recycling program’, which aims to reduce the amount of waste going to landfill and carbon emissions. For Goodman’s contractors, there is an added benefit of supporting Indigenous employment.

Since November 2022, 1,135 sqm of green waste has been recycled saving 296 tonnes of CO₂, 109,444 litres of diesel and the equivalent of 1,154 flights from Brisbane to Sydney.

Instead of contractors removing green waste from Goodman properties (a task they are contractually required to do), they are simply asked to place all branches, clippings and leaves into a skip bin. This green waste is converted into mulch, soils and compost that can be repurposed at Goodman estates or sold back to the landscape contractors.

This diversion of waste from landfill has also provided a commercial benefit for contractors, saving time and money involved in a trip to waste disposal, while ensuring green waste is handled responsibly.

One of Goodman’s landscape contractors, Green Options, is a partner of the Tribal Warrior Association and participates in the ‘Clean Slate Without Prejudice’ program for Indigenous youth between the ages of 12 to 25. The program supports Indigenous young people to learn and practice culture, and build other life skills through dedicated one-on-one mentoring and group activities. Green Options provides Clean Slate Without Prejudice participants employment and training on Goodman estates in NSW, VIC and QLD.

Cushman & Wakefield delivering a sustainable coffee service

Cushman & Wakefield has partnered with Sprout Coffee to provide Bupa with a sustainable coffee service solution at their corporate office sites in Melbourne, Sydney, Brisbane and Adelaide. The benefits of this have been significant across many areas of impact:

- **Avoiding waste to landfill** - Composting coffee grounds diverts waste from landfill and reduces associated CO₂ emissions.
- **Fairtrade reducing risk of modern slavery** - Fairtrade is an auditable and traceable process to avoid modern slavery, providing a minimum price. AUS/NZ members contributed \$2.7m back to farmers through premiums in 2019.
- **Reducing carbon emissions** - Avoiding emissions by avoiding packaging Energy-efficient Coffee machines reducing general usage.

Getting Started

1	Set your objectives	What are you trying to achieve? The starting point of any social procurement journey is to ask the ‘what’, the ‘why’ and the ‘so what’. Begin the process with your business units by asking them for their input. This will help you to integrate social procurement within your broader procurement decision-making and strategy.
2	Build awareness	Think about who you need to engage internally and externally in social procurement. Who are the influencers who can help to drive this strategy? Who will be impacted by the strategy day-to-day? Who will benefit internally? Consider the best way to communicate the social procurement strategy. Are they numbers driven? Can they be engaged through story telling or real-world example? Look beyond your strategy document to the relationships you can develop.
3	Define the benefits	Define how social procurement benefits your business and society. This may vary depending on the business and type of procurement. Consider the reasons why it is beneficial to your business. What societal benefits will be derived from this procurement approach? Will this spend, for example, support an under-represented group, unemployed people with a disability, people from culturally and linguistically diverse communities, or women? Will it address particular Sustainable Development (or other) Goals?
4	Scope your strategy	Consider the purpose of your strategy. Are you seeking to increase an overall percentage spend in this area? Do you have any particular supply chain categories? Any local sourcing requirements? What do you need to do to get there? Are there changes to processes that need to be made, such as payment terms?
5	Ensure alignment	Consider your business purpose, values and corporate strategy. Are there specific types of social procurement that resonate? For example, a female-led business may want to empower other female owned businesses to reduce gender inequality. Consider alignment with your organisation’s sustainability strategy. Do you have specific Reconciliation Action Plan targets that could be supported and achieved by procuring from Indigenous owned businesses?
6	Secure an organisational sponsor	Engage an organisational sponsor to secure buy-in from across your organisation. This person can advocate for your social procurement strategy and encourage take up and engagement. Preferably this is someone from senior leadership who can visibly demonstrate support and drive engagement from the top down.
7	Set up the governance	Consider your vision and goals and build that into your governance framework. Does your Supplier Code of Conduct need updating? Do your invoicing and payment policies support social procurement? Do you capture ABN data through Accounts Payable to track spend with businesses registered with Social Traders? Which team/role has ultimate responsibility for social procurement and supplier data analytics?
8	Leverage existing resources	There are vast numbers of public resources that can be accessed that will help you on your journey. We have listed some in the Resources section in the back of this Guide as a starting point.
9	Select the right partnerships	Investigate partnerships that align with your goals and programs. Seek out opportunities for collaboration, or peers undertaking similar tasks. Can you combine resources and take an industry or consortium approach for greater impact? Are there organisations working in this space that can help you to achieve your goals?

Engaging your Organisation

Organisations, regardless of their size, are often required to manage competing internal priorities to deliver projects on schedule and within budget. The social aspect of a project must be considered alongside other project imperatives. Sometimes this creates a prioritisation challenge and potential trade-offs.

Making these trade-offs is never easy, but the best decisions will be made when you work collaboratively across your organisation and align your efforts with the work already underway. Key internal stakeholders to start your engagement with might include: your ESG (Environmental Social Governance) or CSR (Corporate Social Responsibility) subject matter experts; Procurement, People and Culture (aka Human Resources), Diversity and Inclusion leaders; Finance teams; your Reconciliation Action Plan working group.

By engaging early and often, you can ensure people understand the new approach and can provide important input into new internal policies and procedures. All relevant data owners can also be identified for reporting requirements during this consultation process.

The following tips can help you to achieve a structured approach that integrates social procurement into your broader procurement mix:

- **Define what social procurement means** for your business and project and ensure alignment with your broader organisational values and /or project strategy and goals.
- **Check you have senior sponsorship and support**, especially around the investment of time and effort needed to build long-term collaborative relationships and capacity with suppliers.
- **Integrate social procurement** into your sourcing mix and overall supply chain strategy early, and align your selections with your procurement strategy.
- Ensure your sourcing **selection processes support commercial inclusion** of small businesses and remove undue barriers to access where possible.
- **Pre-qualify your suppliers** and undertake due diligence to understand the proposed suppliers' risk profiles.
- Ensure there is an **internal change and communications program** for your team to build ongoing awareness of the specific features of social procurement and social enterprises.
- Promote a **flexible approach** to engaging with social procurement businesses such as payment terms.
- Ensure your **contract includes these agreed measures** and timeframes.

Implementing Social Procurement

Establish systems

- Establish your social procurement policy, or potentially extend your existing procurement policies to include social procurement and ensure alignment with existing related organisational policies.
- Modify your existing systems and processes to integrate social procurement, especially if there is added flexibility around certain terms and conditions.
- Consider a public statement of business ethics or incorporate one into your organisational or Supplier Code of Conduct.
- Update your supplier onboarding process to track social procurement partners at this stage and create a tag for social procurement partners in your supplier management system.

Set targets

- Allocate time to map out the success output measures and outcomes your social procurement strategy aims to achieve with your suppliers, and routinely monitor for positive changes over a defined period.
- Set objectives and outcomes that are practical and sustainable with your supplier, and set a timetable for achievement.
- Set organisational allocation levels and targets of procurement spend to partners and share that in a reportable form.
- Identify your targets and timelines for these goals by first reviewing your organisation's historic spend, understanding common industry trends in social procurement partners and joining networks like Supply Nation and Social Traders.
- Engage your people, your buyers and your wider stakeholder network, and celebrate your achievements.
- Scope your change management support within your business and provide detailed guidance and tools for purchasers in your business.
- Develop an internal communication and engagement plan, to support your people to understand, identify and action social procurement opportunities.

Track progress

- Track your social procurement spend and share progress regularly with your sponsor, internal leadership, staff and external stakeholders.
- Establish a recognition mechanism to acknowledge suppliers' efforts.

- Celebrate partnerships and share social procurement stories internally and externally to continue to build engagement and raise awareness of opportunities.
- Be proactive in connecting your buyers with social procurement partners.
- Create panels of targeted social procurement partners in industry areas relevant to your company's procurement needs; membership with networks like Supply Nation and Social Traders can help you identify the right partners.
- Identify opportunities for social procurement partners to participate in tenders and explore opportunities for social procurement partners to be recognised as preferred suppliers.
- Connect to certified social enterprises and certified First Nations-owned businesses.

Collaborate

- Establish a relationship with your social procurement partners so you can understand their capacity, their capabilities and their aspirations. By going beyond a transactional relationship, you may uncover hidden opportunities for social collaboration.
- Consider how programs like Supply Nation's JumpStart Program can align your purchasing appetite and behaviour with a social procurement partner's business sustainability and growth.
- Work with your social procurement suppliers to raise and address issues early.
- Work with your social partner to develop suitable agreed contract terms, including KPIs, payment terms, insurance requirements and service levels and incorporate these into your supplier template contracts for a consistent approach.
- When procuring directly from social partners, explore the option of establishing contracts instead of regular transactions. Doing so supports the social partners' business sustainability and growth.
- Consider opportunities to establish contractual obligations and targets with the principal contractor, with second tier social procurement tracked and reported to understand your influence, engagement and spend down your supply chain.
- Multiply your impact by introducing social enterprises to principal contractors where appropriate, to create more change along the length of the supply chain.

Measuring your Impact

Social procurement extends beyond traditional procurement considerations of cost, quality and time. While those considerations remain fundamental, social procurement has the added opportunity to leverage your purchasing power to help solve a social problem. For example, that social problem may be negatively impacting the social objectives of your project, or you may be presented with an opportunity to facilitate positive social benefit to the communities in which your business operates.

‘Good practice’ social procurement, demands transparency of process. To demonstrate the difference made to society, capturing the narrative of your social procurement journey is as important as the destination, or outcome achieved.

Social impact measurement, seeks to measure that difference made to society through four universal questions:

1. **Are we doing what we said we would do?**
(internal validity)
2. **Are we doing things well?**
(quality assurance)
3. **Are we making any difference and to whom?**
(impact)
4. **Are these the right things to do?**
(strategic relevance and learning)

The ‘S’ of ESG is now increasingly recognised as a financial risk to business. So called ‘blue washing’, which includes overclaiming the impacts achieved, poses a legal risk to brand and damage to an organisation’s social license to operate. Therefore, transparency of assumptions made, and data integrity are fundamental to mitigating this risk. Evidence-based data can also build the internal business cases for demonstrating value to the business. Social impact will measure what has changed!

Regulations internationally are moving towards this approach. For example, the Corporate Sustainability Reporting Directive pending in the EU requires

companies to share information on how they monitor and manage both social and environmental issues. It proposes specific requirements for social reporting, shifting disclosure towards impact – not just on how much companies are spending but, importantly, what they are changing.

Social Impact Vs Social Value – There is a Difference

Social impact and social value are not mutually exclusive. In fact, assessing social impact is a crucial step towards determining social value. The determination of how the difference is achieved from your social procurement efforts will be informed by the intended audience, user of the information, rationale behind the determination, purpose for doing it and desired outcomes sought

Social Value’s purpose is to monetise that social impact to enable comparison against the costs of achieving the impact, ultimately to assess the effectiveness and efficiency of the investments and to enhance decision-making. Social Value assigns a monetary value to social, economic, or environmental outcomes that do not have a market price. The aim is to provide a common unit (usually currency) that can be used to compare the relative importance of different outcomes.

As an outcome for each of these, Social Impact will provide *evidence of change made* through social impact activities whilst Social Value will provide a *financial measure of the value of those social activities*.

Organisations such as Business for Societal Impact (B4SI) provide common metrics to enable companies to aggregate impact across multiple projects, brands and geographies and align social procurement with other company activities seeking to achieve social impact. Such metrics can be built into social procurement partnership objectives, reporting and evaluation.

The B4SI Framework empowers companies to measure, strategically analyse and enhance the impact and business benefits of activities that fall outside their core business operations.

The B4SI Framework: Routes to Social Impact



Source: B4SI.

The Framework does this by supporting companies to measure their activities through three pillars: Inputs, Outputs and Impacts.

The B4SI Framework: Inputs, Outputs and Impacts

	➡ INPUTS	➡ OUTPUTS	📈 IMPACTS
Community Investment Route <i>Donations to, and partnerships with community organisations</i>	How, Why, What, Where	Social Output Business Output Leverage	Social Impact Business Impact
Business Innovation for Social Impact Route <i>Developing or adapting core business activities for defined social impact</i>	Financial Investment Additional Resources	Social Output Business Output Leverage	Social Impact Commercial Return
Procurement for Social Impact Route <i>Diverting procurement spend to suppliers that aim to have a social impact</i>	Spend, Time, In-kind, Management Costs	Social Output Business Output Leverage	Social Impact Organisational (supplier) impact Business Impact

Source: B4SI.

There are also data sources providing financial proxies for quantifying social value, including Social Value UK or, the Australian Social Value Bank, which provides measures for the Australian context.

Tips for Measuring Social Procurement Outputs and Outcomes

01

Start Simple

Be clear about your measurement objectives and take a staged approach to establish your suite of social procurement measures. Integrate these into your existing business or project performance monitoring and reporting regimes.

02

Align to Strategy

Ensure the scope of your social procurement measures speak not only to your procurement strategy but your sustainability and corporate strategy. Leadership support informed by clear terms of reference on scope and intended outcomes, supports your mandate. Consider also how your social procurement supports your environmental sustainability objectives around climate action or circularity, for example.

03

Supplier Engagement

Depending on your leverage, a partnership approach with your social procurement suppliers means a shared vision in achieving joint benefits. You may start with a pilot, track progress and build from there. In parallel, an education process with your team will equip them to provide appropriate supplier, end beneficiary support.

04

Project Phasing

A social procurement initiative may evolve at commissioning, delivery and post-delivery evaluation of a project. There may be a planning and baselining phase at project design or commissioning phase, and an evaluation of outcomes post-project completion to measure the legacy of your efforts. The measurement narrative will change depending on the project phase and can only provide a 'point in time' view.

05

Due Diligence and Assurance

Like mainstream suppliers, social procurement suppliers should also be risk screened. Screening is not just for financial and credit history, insurance and trade certifications, but also for modern slavery risk status as a social enterprise, corporate ownership structure as Indigenous or women owned and track record in program delivery through references. Capturing suppliers' performance data as if it would be subject to third party assurance, is recommended practice, especially if you are relying on this data for your own public disclosures.

Emerging Opportunities

Social procurement is about making purchasing choices that help solve social problems, but it can also cross over to meet environmental sustainability objectives. This can be a rich vein of innovation and market differentiation that, when mined, can deliver multiple positive outcomes. Opportunities could include:

- Engage with the Property Council's voluntary Collective Social Impact Framework to contribute to industry-wide advocacy and benchmarking.
- Embrace resource efficiency and circular economy through end of product life take-back schemes, maintenance and re-purposing businesses that provide skilling and employment opportunities (Impact Boom, 2019).
- Look for innovative niches that consciously minimise or avoid carbon emissions as a point of difference (Hillman, 2018). This could mean piloting partnership for technological transformation or system change – particularly at a local community level,

(such as community sourcing of renewable energy or addressing domestic fuel poverty and energy efficiency).

- Consider community education initiatives across a range of sustainability-related issues, including recycling and behaviour change, cooperative models for sourcing and repurposing local goods, mentoring support for specific social cohorts and job readiness training.
- Support services and products that increase local community resilience against climate risk and extreme climate events (Pioneers Post 2022). This may include services that protect local ecological systems, bio restoration or niche recycling and repurposing initiatives for a particular product category, or by building capacity through skills development for specific cohorts (Joffre, 2020).
- The possibilities are limitless – and this is what makes the future of social procurement so exciting.

Where to go for Help

Supply Nation

If you would like further assistance in engaging with Indigenous businesses, Supply Nation provides a range of services and online tools as part of a paid membership. This includes tailored training programs based on international best practice, sophisticated reporting and analytics and access to cutting edge research.

Should you have any further questions regarding Supply Nation membership, please contact: Supply Nation at info@supplynation.org.au or call 1300 055 298.

Social Traders

Social Traders does three things:

1. Certify and Strengthen Social Enterprise
2. Work with business and government member organisations in support of their Social Procurement and ESG objectives;
3. Advocate to Government for Social Procurement policy change.

For more information on doing business for good, check out Social Traders playbook, packed full of tools, tips and examples of how to do it well.

Property Council of Australia

With significant gaps in how we measure and report on social procurement, our next project is always just a few steps away. To be part of the Property Council's growing collective of people working together to create a common language for social sustainability, please contact:

Eleanor Sondergeld
National Policy Manager
Property Council of Australia
esondergeld@propertycouncil.com.au

Glossary of Terms

Circular economy procurement: The practice of purchasing products and services that can be reused, recycled or repurposed in a ‘closed loop’. See the Ellen Macarthur Foundation’s Circular Economy Procurement framework.

Corporate social responsibility (CSR): CSR is the way through which a company achieves a balance of economic, environmental and social imperatives while at the same time addressing the expectations of shareholders and stakeholders. See United Nations Industrial Development Organization.

Environmental sustainability: The practice of meeting the needs of the present without compromising the ability of future generations to meet their own needs. See the Brundtland Report (1987).

Environmental, social, and governance (ESG): A framework for assessing a company’s performance on environmental, social, and governance issues.

Ethical sourcing: The practice of sourcing materials and products from suppliers who meet ethical standards

Impact investing: Investment with the primary goal of creating social or environmental impact.

Impact sourcing: The practice of hiring and training individuals from disadvantaged communities to provide outsourced services.

Shared value: The idea that companies can create economic value while also creating social and environmental value

Social enterprise: A business that operates with a primary purpose to create social or environmental benefit while generating a significant portion of its income from trade.

Social impact assessment: An assessment of the social impact of a company’s activities

Social procurement: When organisations use their purchasing power to generate positive social impact beyond the value of the goods or services they need

Social procurement partner: This supplier or vendor is selected, often through a competitive tender process, by an organisation to work together to achieve shared social goals.

Social return on investment (SROI): An internationally recognised framework for understanding, measuring and valuing social, economic and environmental outcomes. Social Ventures Australia says SROI is a stakeholder-driven evaluation, blended with cost-benefit analysis, tailored for the social sector.

Social value: Understanding the relative importance that people place on changes to their wellbeing and using the insights we gain from this understanding to make better decisions. See Social Value International.

Supplier diversity: A business strategy that encourages a diverse supplier base in an organisation’s procurement decision making, including those owned by underrepresented groups

Sustainable Development Goals: The 17 Sustainable Development Goals (SDGs) recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests. See the United Nations.

Triple bottom line: A business concept that measures social and environmental impact, in addition to their financial performance, rather than solely focusing on generating profit, or the standard “bottom line.” It can be broken down into “three Ps”: profit, people, and the planet. See Harvard Business School Online.

Resources

Australian Owned: A cause-driven with a mission to support the Australian business community.

<https://ausowned.com.au/>

BuyAbility: Growing supported employment to give people with disability the opportunity to participate in the workforce

<https://buyability.org.au/>

Indigenous Procurement Policy Guide: An outline of the key components of, and the principles underpinning, the Australian Government’s Indigenous Procurement Policy.

https://www.niaa.gov.au/sites/default/files/publications/ipp-guide_0.pdf

Property Council of Australia Collective Social Impact Framework: Enabling voluntary reporting on social impact actions and initiatives underway by member organisations.

<https://www.propertycouncil.com.au/submissions/collective-social-impact-framework>

Social Traders: Home to Social Enterprise Finder, Australia’s only national directory of certified social enterprises

<https://www.socialtraders.com.au/find-a-social-enterprise>

Social Value International: The global network for social value and impact management

<https://www.socialvalueint.org/>

Social Value UK: Changing the way the world accounts for value.

<https://socialvalueuk.org/>

Supply Nation JumpStart: Providing access to skilled volunteers to increase Indigenous business capability.

<https://jumpstart.supplynation.org.au/>

WEConnect International: Connecting women-owned enterprises to corporations under their supplier diversity and inclusion programs

<https://weconnectinternational.org/asia-pacific/australia/>

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