

Social Enterprise Procurement Guidelines

Social Enterprises and Social Enterprise Procurement

Social enterprises are businesses that prioritise positive social, cultural, or environmental outcomes alongside financial goals. They operate across various sectors and must meet three key criteria:

- **Social Purpose:** They have a clearly defined primary mission that benefits the community or environment.
- **Revenue from Trade:** A significant portion of their income is generated through trade rather than relying solely on donations or grants.
- **Community Benefit:** Profits are reinvested into achieving their mission, ensuring public benefit precedes private gains.

Social enterprise procurement involves purchasing goods and services from these organisations, allowing businesses to meet operational needs while contributing to community benefits without incurring additional costs. By sourcing from social enterprises, businesses can incorporate sustainability and **ESG** (Environmental, Social, and Governance) considerations into their procurement processes, resulting in significant social impact.

Benefits of Engaging with Social Enterprises

Engaging with social enterprises offers numerous advantages for businesses, including:

- **Resilient Supply Chains:** Community-focused suppliers create robust, localised supply chains that reduce dependency and vulnerabilities.
- **Enhanced Employee Engagement:** Supporting the community boosts employee morale, engagement, and retention, helping attract top talent.
- **Stronger Customer Loyalty:** Consumers are increasingly drawn to businesses that authentically contribute to social and environmental causes, boosting brand equity and loyalty.
- **Competitive Edge:** Companies committed to social procurement gain a competitive advantage in securing government contracts, which are increasingly prioritising social impact.

Role of ESG in Business

- The role of ESG is broadening across various sectors, initially requiring essential services (e.g., energy) to offer options that resolve customer hardship and meet carbon and ESG targets.
- Compliance standards for ESG reporting are evolving, with specific requirements for certain-sized organisations. Non-compliance, such as failing to provide modern slavery statements or meeting design standards (e.g., EURO 6), can lead to significant fines.

- [Mandatory ESG reporting requirements, subject to ASIC audits, will expand next year to include more organisations.](#)
- Social enterprise commitments can help organisations meet multiple reporting requirements simultaneously.
- Community programs or social enterprises within a parent organisation can fall under the community development portfolio, aiding in the achievement of ESG reporting targets.

Guide – For Australian teams

At Seven Consulting, we recognise the valuable role that social enterprises can play in strengthening our supply chain. Please include and prioritise social enterprises when evaluating new or renewed supply needs, noting it's important that all suppliers—social enterprises or not—must meet our core procurement criteria, including overall value, price competitiveness, and quality of service.

To explore opportunities with social enterprises, follow these steps:

1. **Access the Directory:** A full list of current certified social enterprises can be found on the [Social Enterprise Finder](#) | [Social Traders](#).
2. **Search:** Enter relevant keywords that match your procurement needs.
3. **Filter by Location:** Refine your search by selecting the relevant location (e.g., VIC or NSW).
4. **Filter by Service (Optional):** If needed, narrow your search by selecting specific services or products.
5. **Review Suppliers:** The results will display eligible suppliers, including details such as service locations, products/services offered, and the communities they benefit.
6. **Explore Further:** Click on 'Visit Website' to find more information about supplier.