

NURSERY PAPERS

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Supply chain – ethical sourcing

What ethical sourcing means for your bottom line

These aren't just idle thoughts for consumers. They are important criteria for making buying decisions – and businesses are increasingly aware of the need for making ethical sourcing decisions.

Australian markets are becoming more and more connected to international systems, organisations, and influences. It is vital that producers keep up with the constantly shifting expectations of consumers, governments, and the community.

Think about the scrutiny industries like fruit and vegetables are under, such as abuse of labour. Greenlife is not far behind.

Who grew this plant? What was the environmental impact of growing it? What pesticides have been used? How was it transported?

These days, 'ethical sourcing' is much more than a buzzword – it's an integral part of the supply chain lexicon. More and more it can impact your bottom line – nine in ten global consumers want to buy products sourced in a responsible and sustainable way and 83% will pay more for goods that are ethically produced.¹



Our new specification validates your credentials

Greenlife Industry Australia (GIA) has recently released the Ethical Nursery Stock Specification (ENSS) as part of the Nursery Industry Accreditation Scheme, Australia (NIASA) Best Management Practice Guidelines. This addition to GIA's suite of grower programs allows producers to validate their credentials in best practice, environmental and resource management, plant protection and biosecurity.



NIASA Best Management Practice Guidelines manual

¹ Barrenechea, M., 2021, Open Text, University of Waterloo in Canada. Retrieved from <https://www.prnewswire.com/news-releases/opentext-survey-shows-increase-in-demand-for-ethically-sourced-goods-301387120.html>



ABOUT ETHICAL SOURCING

Ethical sourcing means you obtain products and services in an ethical way from each point in your supply chain. Many people use terms like ‘responsible sourcing’, and ‘sustainable sourcing’ interchangeably.

An ethical approach includes actively upholding employment standards, appropriate occupational health and safety systems, waste management, water use and recycling and honest and fair-trading practices.

The further you go down your supply chain, the less visibility you have over ethical risks, like poor working conditions and environmental impacts.

To fully embrace the ethical sourcing, you not only need to have your own house in order – it’s also important to examine each phase of your supply chain – both up and down stream – and have an ethical sourcing policy to guide your procurement activities.

It’s a sign of supply chain maturity when you can show that your product or service has been produced under ethical conditions from raw ingredients to final sale.

Many businesses demonstrate some elements of ethical sourcing but few tick all the ethical sourcing boxes. As the market evolves, grandstanding and greenwashing will no longer make the cut – instead, growers will need to demonstrate their commitment to ethical trading practices.

NIASA Ethical Nursery Stock Specification

The NIASA ENSS is a management system that helps you document policies, procedures, and recordkeeping to demonstrate a commitment to your ethical operations. It supports you to adhere to guidelines which define the minimum requirements for ethical plant production. It promotes and validates socially responsible business practices that are fair, transparent and respect human and labour rights of workers in the plant production industry.

Peter and Chantel Jong, of Jong’s Nursery in South Australia, are the first production nursery in Australia to achieve certification to the **NIASA Ethical Nursery Stock Specification**.

Peter Jong states the Ethical specification doesn’t guarantee that we get it right, but it guarantees that ignorance isn’t a factor.

Complying with ENSS helps production nurseries, growing media manufacturers and greenlife markets meet their legal obligations, as well as supplementary expectations. Like all the resources built under the Australian Plant Production Standard (APPS), you can access the ENSS at nurseryproductionfms.com.au/niasa-accreditation



Peter and Chantel Jong, of Jong’s Nursery in South Australia

You can apply any elements of the programs in your business, as you see fit. If you would like to validate and formalise the practices you adopt, please contact GIA for certification.

Certification proves that your business is committed to ethical compliance.

ENSS benefits

Benefits of implementing the ENSS include:

- assuring stakeholders that you operate your business in a transparent, ethical, safe, respectful, legal and sustainable way
- increasing the likelihood of being awarded high profile contracts and ‘preferred supplier’ status
- equipping your management team and employees with guidelines and policies for ethical decision-making and practices
- improving communication and information transfer between employees and management
- boosting staff morale, product quality and cost-efficiency via
 - a safe and positive working environment where employees feel valued and protected
 - staff awareness and understanding of their rights and responsibilities
- providing an effective and transparent conflict resolution process for complaints – both internal and external.



Code of conduct

A code of conduct is a foundational document that provides an ethical framework for your business. It could be described as a rule book that establishes your business' do's and don'ts from a legal and ethical point of view. It provides a detailed description of the legal and ethical behaviour your business expects.

By defining your business' values, the code of conduct becomes a decision support tool, driving the activities and principles that underlie your decision making. It builds trust, strengthens relationships and improves your reputation with staff, business partners and other stakeholders, such as the community and regulators.

Communicating your commitment to high standards via a code of conduct provides benefits, including: preventing legal and regulatory violations, and fostering employee/customer loyalty and retention.

An effective code of conduct:

- is endorsed by the head of the organisation, setting out the leader's values, beliefs, expectations and commitments around social and ethical behaviour and trading
- reflects the organisation's culture and specifies that it applies to all employees from all levels within the business
- sets expectations for compliance with regulations
- endorses the business' policies and procedures
- states the business' obligation to maintain high standards of behaviour and practice
- is written in clear, accessible language
- use examples for clarity
- is revised in consultation with key staff and updated to reflect organisational changes.

The code of conduct should endorse the framework of policies and procedures necessary for certification with the ENSS.



Cameron's Nursery staff, Funky Shirt Friday, mental health awareness

ENSS requirements

Certification under the ENSS gives you a framework to support good business governance. This is vital for risk management planning, workplace behaviour, personnel management, ethically sound, safe nursery production practices and ethical decision making.

The ENSS:

- describes the requirements for ethical production certification
- contains a business code of conduct templates and a policies and procedures manual to help you meet the guidelines
- includes a comprehensive example of the requirements that help businesses meet their ethical obligations (see *Table 1*).

To be effective the ENSS must apply to all staff – full time, part-time, casual, permanent or temporary – contract workers, volunteer workers, vocational and work experience placements.

Without a framework like this, your business is likely to be vulnerable to financial strain, high staff turnover, low employee morale and legal disputes. This can cast doubt on your business' reliability, integrity and transparency, which can impact its overall financial health.

TABLE 1. ENSS policies and procedures

Ethical trading policy statement	Employee training and development
Recruitment and selection policy	Dress code policy
Performance management policy	Smoking, alcohol and drugs policy
External complaints policy and procedures	Internet, email and social media policy
Equal opportunity, and anti-bullying	Intellectual property policy
Internal complaints policy and procedures	Environmental best practice policy
Workplace health and safety procedures	

With the ongoing need to attract new human resources into the plant production industry, and retain those valued employees already in your businesses, being able to demonstrate your ethical credentials can be an attractive element and flag you as a preferred employer. The pressure on the availability of a suitable, and willing, workforce in agriculture is already at a tipping point and any opportunity that a business can use to make them more attractive to discerning future employees is going to be a bonus and will add further value to the sustainability of progressive and modern production nurseries.



Trading policy statement

The ENSS supports your business to communicate its ethical business principles via the code of conduct and an ethical trading policy statement. This encourages desirable trading behaviours and high standards of practice in business dealings by:

- enabling and supporting staff to make ethical trading decisions
- making vendors aware of your business' expectations.

To be ENSS certified you need to provide one of these documents to vendors if they ask for it.

The ENSS provides templates for you to build your own code of conduct, ethical trading policy statement, and the policies and procedures you'll need to support it.

It's important to remember that simply creating a code of conduct and ethical trading policy statement is not enough. Effective implementation, management and monitoring are also key. The ENSS provides for annual third party auditing to keep you on track, which supports your monitoring processes.

Formal validation through certification

ENSS certification arrangement means your business can prove its commitment to operating in line with industry best practice in the following areas:

- recruitment and selection
- fair working conditions
- workplace health and safety.

SUMMARY

Sourcing products and services in an ethical way supports successful, sustainable and resilient business. It offers opportunities to enhance your brand's reputation, support communities, conserve resources and ensure legal compliance.

Integrating ethical sourcing into your business strategies is an imperative for long-term success in a conscientious marketplace.

It's not just a moral imperative but a strategic advantage in today's interconnected world. Embracing it not only fosters sustainable business growth but also contributes positively to society and the environment.

MORE INFORMATION

Bunnings Ethical Sourcing Code of Conduct Our Commitment - <https://media.prod.bunnings.com.au/api/public/content/ca88151b00f545edbc72b5c5644078af?v=1d8559da&download=true>

Past nursery papers - <https://www.greenlifeindustry.com.au/communications-centre>



Cameron's Nursery, NIASA certified and ENSS applicants, showcasing their commitment to ethical practices and community support at the Biggest Morning Tea for The Cancer Council

ENSS prerequisites

If you're keen to apply for formal ENSS certification, there are four things your business must do first:

- hold NIASA accreditation
- have received a satisfactory audit result, proving you have implemented the mandatory procedures from within the specification
- assign or allocate an appropriately trained staff member with the main responsibility for human resources management
- assign or allocate an appropriately trained staff member with the main responsibility of workplace health and safety management.

If you'd like more information about or support with these prerequisites, don't hesitate to contact GIA. Email biosecure@greenlifeindustry.com.au.

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