

UNITED REPUBLIC OF TANZANIA



MINISTRY OF FINANCE



PUBLIC PROCUREMENT REGULATORY AUTHORITY

**SUSTAINABILITY AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE
“ESG” POLICY**

JULY 2025

SUSTAINABILITY AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE “ESG” POLICY


Approved by Board of Directors	Title Director General	Signature 	Date 31/07/2025 July 2025
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APPROVED

ACRONYMS

ESG	Environmental, Social, and Governance
IFRS	International Financial Reporting Standards
ISO	International Organisation for Standardization
NBAA	National Board of Accountants and Auditors
M & E	Monitoring and Evaluation
PPRA	Public Procurement Regulatory Authority
SDG	Sustainable Development Goals
SPP	Sustainable Public Procurement

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Purpose	To establish PPRA's commitment to integrating Sustainability and ESG (Environmental, Social and Governance) principles into its institutional operations and regulatory mandate.
It is part of	Strategic Plan, PPRA Governance Frameworks and Governance Charter
Related Documents	Sustainability and ESG Framework, Risk Management Framework, and M & E Framework
Distribution	Board, Management, and Staff

Glossary of Terms

ESG	Stands for Environmental, Social, and Governance. It is a framework used to evaluate PPRA's sustainability and ethical impacts
ESG Policy	An ESG (Environmental, Social, and Governance) policy is a formal statement that outlines PPRA's commitment to integrating ESG factors into its operations, decision-making processes, and stakeholder interactions. It sets forth the company's approach to managing environmental impacts, social responsibilities, and governance practices
ESG Framework	A set of guidelines, metrics, and criteria that allow PPRA to develop sustainability standards
Environmental	This is a factor that assesses PPRA's environmental impact. It considers carbon emissions, waste management, pollution, and climate change
Social	This is a factor that evaluates a company's impact on society. It considers labour practices, human rights, community involvement, diversity, and customer satisfaction
Governance	This is a factor that evaluates the PPRA's management and decision-making processes. It considers board composition, executive pay, shareholder rights, and transparency.
Sustainability	A broad concept focused on maintaining long-term viability by balancing environmental, Social, and Governance.

Foreword

The PPRA Sustainability and ESG Policy marks a pivotal step in integrating Environmental, Social, and Governance (ESG) considerations into the core of our regulatory and operational mandate.

At PPRA, we recognize that sustainable public procurement is not only a powerful lever for achieving value for money but also a vital mechanism for advancing national development priorities, environmental protection, social inclusion, and ethical governance. This policy demonstrates our unwavering commitment to aligning with the United Nations Sustainable Development Goals (SDGs), Tanzania Development Vision 2050, and the NBAA TP No. 1 of 2024 on Sustainability Reporting, while also adopting global best practices through the IFRS Sustainability Disclosure Standards (S1 and S2).

Through this Policy, we aim to provide sustainability governance, enhance stakeholder accountability, and provide a basis for developing and implementing an ESG Framework with performance indicators. Our goal is to lead by example - fostering integrity, transparency, and innovation in public procurement processes across all sectors.

I call upon all stakeholders, including government agencies, suppliers, civil society, and development partners, to collaborate with us in implementing this Policy through a robust framework. Together, we can build a resilient, inclusive, and sustainable procurement ecosystem that supports Tanzania's socio-economic transformation.

Let us move forward with purpose, guided by our shared responsibility to future generations.

Dennis K. Simba
Director General

SECTION 1

INTRODUCTION

1.1 Background

PPRA is a regulatory body established under the Public Procurement Act, Cap 410, and charged with the responsibility to regulate and oversee public procurement and related matters as prescribed in the Act.

1.2 Mandate and Objectives of the Authority

The Mandate and Objectives of the Authority as stipulated under Section 9 of PPA are as follows:

- a) To ensure the attainment of value for money in procurement and supply;
- b) To ensure adherence to the principles of fairness, competition, transparency, sustainability, accountability, and efficient use of funds in procurement and supply;
- c) To establish standards for public procurement and supply systems in the United Republic;
- d) To ensure that procurement entities give preference to local bidders in the procurement of goods, construction works, and services;
- e) To monitor the legal compliance of procurement entities; and
- f) To build capacity in procurement and supply in the United Republic in collaboration with the responsible ministry for procurement and supply issues and other relevant academic institutions.

1.3 PPRA Management

The Board is responsible for the governance and overseeing of the Authority's operations, including compliance with the law, standards of corporate governance, and business ethics. The Management takes overall responsibility for the running of the organization, including effective and efficient implementation of various activities, monitoring operations and investment decisions, considering significant financial matters, and reviewing the performance of management plans and budgets. PPRA Management is under the leadership of the Director General, comprising of Heads of five (5) major

directorates, seven (7) Units, and six (6) zonal offices.

1.4 Rationale and Approach to Sustainability and ESG Report

The growing importance of sustainability in Authority's practices has led to a strong focus on Environmental, Social, and Governance (ESG) criteria. ESG helps the Authority to adopt ethical practices while addressing global challenges such as climate change, social inequality, and corporate responsibility in its regulatory function. More than just a trend, the purpose of ESG lies in its ability to foster a responsible and sustainable business environment. As government and clients increasingly demand that organizations align with these values, the Authority must ensure it actively engages with ESG principles. Further, the Policy supports compliance with the Government's sustainability reporting and disclosure requirements communicated through NBAA's TP No.1 of 2024, implementing the IFRS Sustainability Disclosure Standards S1 and S2.

1.5 Alignment with National and Global Frameworks

This policy is aligned with:

- a) Tanzania Development Vision 2025 and 2050;
- b) Public Procurement Act, CAP 410 and Public Procurement Regulations, 2024;
- c) NBAA Sustainability Roadmap;
- d) SDGs 12 (Sustainable Consumption), 13 (Climate Action), 5 (Gender Equality), and 16 (Strong Institutions);
- e) PPRA Sustainable Procurement Guidelines;
- f) IFRS S1 – General Sustainability Disclosures;
- g) IFRS S2 – Climate-related Disclosures; and
- h) ISO 20400 – Sustainable Procurement Guidance

This Policy shall be integrated into the PPRA's Sustainability and ESG Framework to be used by the Authority to publicly report detailed environmental, social, and governance (ESG) metrics of PPRA.

SECTION 2

SUSTAINABILITY AND ESG POLICY

2.1 Policy Purpose

This Policy establishes PPRA's commitment to integrating Sustainability and ESG (Environmental, Social, and Governance) principles into its institutional operations and regulatory mandate. It aims to:

- a) Guide internal sustainability practices as a public institution;
- b) Promote sustainable public procurement across procuring entities;
- c) Align with NBAA's sustainability reporting standards (IFRS S1 & S2); and
- d) Contribute to national and global Sustainable Development Goals (SDGs).

2.2 Policy Scope

This Policy applies to:

- a) All directorates, units, zones, and staff of PPRA in their internal operations;
- b) All regulatory functions, oversight frameworks, and interactions with procuring entities; and
- c) Engagements with stakeholders, including government institutions, suppliers, and the public.

2.3 Policy Objectives

2.3.1 As a Public Sector Entity

- a) Reduce the environmental impact of PPRA's internal operations;
- b) Promote ethical and inclusive workplace practices;
- c) Strengthen transparency, accountability, and climate-related disclosures; and
- d) Institutionalize ESG governance and internal reporting systems.

2.3.2 As a Regulator,

- a) Embed ESG criteria into public procurement policies and guidelines;

- b) Encourage life-cycle costing, sustainable sourcing, and supplier due diligence;
- c) Require procuring entities to report on ESG risks, compliance, and performance; and
- d) Build capacity among stakeholders on Sustainable Public Procurement (SPP).

2.4 Policy Commitments

2.4.1 Environmental Stewardship

- a) Monitor and reduce PPRA's carbon footprint (energy, travel, water, and waste);
- b) Promote green office practices, energy-efficient infrastructure, and digitalization; and
- c) Advocate for environmentally responsible procurement in all guidelines.

2.4.2 Social Responsibility

- a) Ensure equity, non-discrimination, and gender mainstreaming in hiring and promotions;
- b) Promote procurement from women-owned, youth-led, and local enterprises; and
- c) Mandate fair labour practices and human rights compliance in supplier chains.

2.4.3 Governance and Integrity

- a) Maintain high standards of corporate governance, ethics, and transparency;
- b) Disclose ESG performance annually in compliance with NBAA's TFRS 1 and IFRS S1/S2 and any other ISSB Standard that will be issued; and
- c) Enhance monitoring and enforcement of ESG-related procurement breaches.

SECTION 3

ESG GOVERNANCE STRUCTURE

3.1 Roles and Responsibilities

The roles and responsibilities for assessing ESG factors in the regulatory activities performed by the Authority, both on its behalf and on behalf of clients, are summarized below.

3.1.1 Board of Directors

On Sustainability and ESG issues, the Board of Directors:

- a) Approves the Sustainability and ESG Policy, Strategy, and Framework and monitors application; and
- b) Decides and approves the strategic guidelines for risk taking, risk governance policies, and overall risk objectives, including climate, environmental, social, and governance risks.

3.1.2 Board ESG Oversight Committee

The Audit Committee is delegated the role of overseeing the sustainability and ESG issues as follows:

- a) Provides strategic direction and policy oversight;
- b) Reviews and monitors the implementation of the Sustainability and ESG Framework;
- c) Preliminary analysis concerning the sustainability issue to be submitted to the Board's attention, which includes monitoring of ESG Policy, by assessing, among other things, procurement regulatory and monitoring functions; and
- d) Assesses and monitors Sustainability and ESG risks, and discusses issues and reports strategic matters to the Board

3.1.3 Director General

The Director General is delegated by the Board of Directors with the management of sustainability and ESG-related activities and appointed the management ESG Committee, including representatives across the directorates, units, and zones. The

Risk Management and Quality Assurance Unit is a secretariat and coordinates ESG data collection, reporting, and training.

3.1.4 Directorate, Units, and Zones

All the Directorates, Units, and Zones are required to integrate sustainability and ESG into daily operations, including regulatory functions of procurement, audit, and monitoring. The implementation requires the appointment of a sustainability and ESG champion in each Directorate, Unit, and Zone.

3.1.5 ESG Reporting and Disclosure

The Authority is committed to:

- a) Publishing annual Sustainability and ESG disclosures aligned with NBAA and IFRS standards;
- b) Tracking KPIs related to emissions, social inclusion, procurement transparency, and governance; and
- c) Sharing best practices and ESG performance across the procurement ecosystem.

SECTION 4

MONITORING, REVIEW AND ENFORCEMENT

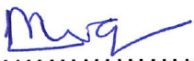
4.1 ESG Monitoring and Review

- a) This policy shall be reviewed every three years or upon major regulatory changes or operating environment.
- b) ESG implementation progress will be reviewed quarterly by the ESG Reporting Unit and reported to the Board.

4.2 ESG Policy Enforcement

Compliance with this Policy is mandatory for all PPRA staff and embedded into PPRA's Code of Conduct.

4.3 Approved by:



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Dr. Leonada R. Mwangi
Board Chairperson,



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Dennis K Simba
Director General