

## **1. Purpose**

- This Policy:
  - Sets the direction for Melbourne Water employees to identify certain key criteria against which manufacturers and/or suppliers should be assessed, when purchasing their products, materials and services
  - Demonstrates the Sustainability Principles outlined in “Sustainable Water - A Strategic Framework”, to meet our strategic goals of ‘Improving environmental outcomes from all aspects of our business’, and ‘further develop programs to support corporate social responsibility’.

## **2. Scope**

- This Policy:
  - Refers to all products, materials and services purchased by Melbourne Water, and includes items procured on Melbourne Water’s behalf by third parties such as contractors.
  - Acknowledges that sustainability is not a goal that Melbourne Water can achieve alone, and requires cooperation and engagement with many organisations, including our suppliers.

## **3. Definitions**

- **Fair Trade** is a system whereby product manufacturers and producers in countries receive a fair price for their products and are not disadvantaged in any way through the purchasing power of large (usually multi-national) organisations.
- **Intergenerational Equity** means providing for the needs of future generations by responsibly managing resources available to the current generation.
- **International Labour Organization (ILO)** is the United Nations specialised agency that seeks the promotion of social justice and internationally recognised human and labour rights. The ILO formulates international labour standards in the form of Conventions and Recommendations setting minimum standards of basic labour rights.
- **Suppliers** are businesses that have a direct or indirect business relationship with Melbourne Water through the supply of goods and/or services, whether or not they have produced these goods and/or services themselves, or supply them on behalf of another entity or as a re-seller.
- **Sustainability** for Melbourne Water means the identification and management of environmental, social and economic factors in Melbourne Water’s business (refer Sustainability Principles in Section 5 below).

# SUSTAINABLE PROCUREMENT POLICY

**CORP XXX**

## 4. Risk Considerations

- Melbourne Water’s Risk Management Framework has been developed to allow due consideration of risks in each area of the business. The following outlines the risks identified of implementing a Sustainable Purchasing Policy; risks have been assessed at both the Strategic and Corporate level.

<b>Strategic Risk 5: Failure to Operate in an Adequate Financial and Governance framework</b>	<ul style="list-style-type: none"> <li>Corporate Risk 042: Failure to manage outsourced service provider relationships including standard contract documentation</li> </ul>
<b>Strategic Risk 6: Health, safety and security of people, property and environment</b>	<ul style="list-style-type: none"> <li>Corporate Risk 026: Failure to protect biodiversity</li> </ul>
<b>Strategic Risk 7: Failure to Engage, Understand and Manage Stakeholders and the Community</b>	<ul style="list-style-type: none"> <li>Corporate Risk 075: Inability to meet the expectations of external stakeholders</li> <li>Corporate Risk 077: Inability to influence key stakeholders to make informed decisions</li> <li>Corporate Risk 080: Failure to educate or inform</li> </ul>
<b>Strategic Risk 10: Failure to Plan and Meet Future Long Term (Strategic Objectives)</b>	<ul style="list-style-type: none"> <li>Corporate Risk 009: Inability to meet objectives outlined in the sustainability framework</li> </ul>

## 5. Background

- Melbourne Water has legislative requirements to ensure that it manages all aspects of its business in the best interests of the community, both for public health and general environmental stewardship. However, Melbourne Water’s obligations go further than this, to ensure future generations’ needs are met.
- Melbourne Water has a strong commitment to sustainability across all of its business. This means ensuring that our environmental, social and economic impacts are identified, and managed.
- This Policy is based on Melbourne Water’s Strategic Framework Principles:
  - Protecting and conserving Melbourne’s water resources
  - Protecting and improving the environment, including biodiversity
  - Our leadership, scientific research, creativity and innovation
  - Ensuring responsible risk management
  - Sharing information and fostering collaborative working relationships

# SUSTAINABLE PROCUREMENT POLICY

CORP XXX

- Maintaining long-term financial viability
- Contributing to the health of the community
- Demonstrating corporate social responsibility
- Ensuring intergenerational equity by considering short-term and long-term implications in all decision making
- Providing an environment where the employees are encouraged to achieve their full potential

## 6. Policy Statement

- Melbourne Water will consider the global impacts of its procurement decisions.
- Wherever possible, Melbourne Water employees involved in the procurement of materials or products are to make an assessment of the environmental, social and economic impacts of the items, prior to purchase. All commercially available alternative products should be fully scoped in this process, where practical.
- Wherever possible, Melbourne Water employees and contractors should pursue the following goals when purchasing products, materials and services.
- **Products, materials and services should have minimal environmental impact in their manufacture and/or supply:**
  - Minimise waste
  - Maximise water efficiency
  - Minimise greenhouse gas emissions
  - Minimise habitat destruction
  - Minimise toxicity
  - Supplier's sustainability record should be sound
- **Products, materials and services should be manufactured and/or supplied under conditions that do not involve the abuse or exploitation of any persons**
  - ILO based Labour standards
  - Fair Trade where possible
  - Occupational Health and Safety a priority
- **Products, materials and services should be manufactured and/or supplied by businesses that are committed to Melbourne Water's sustainability principles**
  - Alignment with Melbourne Water's sustainability principles

# SUSTAINABLE PROCUREMENT POLICY

CORP XXX

## 7. References / Related Documents

- [Sustainable Water – A Strategic Framework](#)
- [Environment Policy](#)
- [Health and Safety Policy](#)
- [Procurement/Purchasing Policy](#)
- [Code of Conduct](#)
- [Credit Card Usage Policy](#)
- [Petty Cash Policy](#)
- Procurement and Payments Control Manual
- Procurement and Payments Procedure Manual
- [Purchasing Guideline](#)
- [Procurement Expenditure Guideline](#)
- [Credit Card Guideline](#)

## 8. Document Control

### 8.1 Current Document

Version Number	1.
Last Review Date	1 July 2006.
Frequency of Review	Annually.
Next Review Due Date	1 July 2008.
Groups	All Groups
Responsible Officer	Manager Supply
Approved by	General Manager Business Services

### 8.2 Document History

A summary of previous versions of this document.

Document Status	Changes
Version: First Version	N/A

## 9. Records

- Melbourne Water's Intranet under Policies and Procedures / Supply / Procurement and Purchasing
- [Intranet Link](#)

## 10. Appendices

- Nil.