


# Sustainable Procurement Policy

## Purpose

To ensure that all procurement by, for, or on behalf of Melbourne Water is undertaken in accordance with [Melbourne Water's Strategic Framework \(PDF, 840kb\)](#) .

Specifically the goals are to:

- Ensure our suppliers and partners apply sustainable business practices
- Improve environmental outcomes from all aspects of the business
- Ensure investment decisions are sustainable
- Embrace sustainable work practices and behaviours.

## Scope

This document governs all procurement by, for, or on behalf of Melbourne Water and is to be used in conjunction with the Procurement and Purchasing Policy.

This includes purchases made by, but not limited to, our people, our partners (including alliances) and our suppliers.

This Policy identifies capital works, information technology, fleet and stationery as priority procurement areas that must complete additional monitoring and reporting duties.

Our partners and suppliers are bound by contractual and tender obligations to apply the sustainable business practices outlined in this Policy.

Purchases greater than \$100,000 require application of Melbourne Water's Triple Bottom Line Guidelines.

## Definition

**Sustainable procurement** is the acquisition of necessary goods and services that have least impact on the environment and human health, within the purchaser's capacity to do so.

## Risk considerations

This controlled document considers the following business risks:

- A066 - Failure to meet requirements in the existing and new Statement of Obligations
- A073 - Failure to incorporate green purchasing decision-making into purchases
- F060 - Inappropriate purchase of inferior, unsustainable or dangerous goods / services

Refer to Business Risk Register – Strategic Planning and Business Register – Business Services.

## Objectives

The objectives of this Policy are to:

- Improve the environmental, social and financial outcomes of all our purchases
- Enable our people to apply sustainability principles in making procurement and purchasing decisions for and on behalf of Melbourne Water
- Ensure our suppliers and partners apply sustainable business practices and demonstrate best practice in meeting sustainability criteria
- Influence our partners, suppliers and our people to embrace and improve sustainable work practices
- Be recognised as a reliable and trustworthy organisation, willing to listen, work collaboratively and deliver on our promises
- Provide guidance necessary for the practice of directives in this Policy and to support a culture of information and knowledge sharing
- Provide accurate and up-to-date information on our policy and obligations.

## Background

In line with our Strategic Framework goals (view section 1, Purpose), Melbourne Water acknowledges the:

- Impact its procurement decisions have on the environment
- Considerable ability Melbourne Water has to influence and support a market for sustainable products and services
- Importance of cooperating with suppliers and stakeholders to achieve more sustainable outcomes within our sphere of influence.

Melbourne Water's Statement of Obligations under the Water Act requires it to apply the sustainable management principles extrapolated in our Strategic Framework, and develop and implement programs for assessing, monitoring and continuously improving our sustainability performance, including:

- Respond to climate change
- Maintain and restore natural assets
- Use resources more efficiently
- Manage everyday environmental impacts

## Policy statement

Melbourne Water and those who procure on Melbourne Water's behalf will:

- Acquire necessary goods and services that have least impact on the environment and human health within our capacity to do so
- Endeavour to follow sustainable procurement principles (see *Section 7.2*) and make significant and continual improvement in the sustainability of their purchase decisions
- Engage and consult with suppliers and stakeholders to promote and improve sustainable purchases and practices

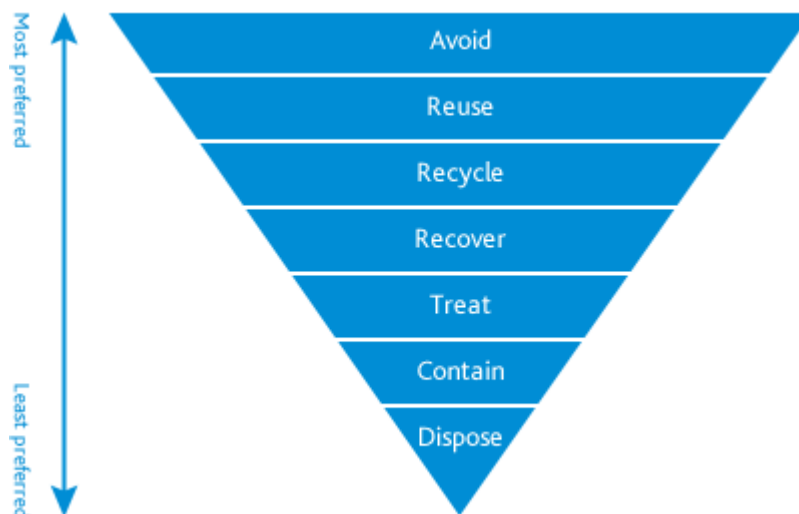
- Monitor and report progress towards sustainable procurement
- Acknowledge and apply this Policy with our suppliers and partners
- Facilitate education and feedback opportunities to support sustainable procurement and the implementation of this Policy
- Identify priority procurement areas which are required to submit an annual *Sustainable Procurement Report* for inclusion in the *Melbourne Water Sustainability Report* and intranet.

Please refer to the *Sustainable Procurement Guidelines* for further instruction.

## Sustainable procurement principles

Employees must assess whether their purchases uphold the following principles. The following checklist contains principles designed to minimise harmful impacts from procurement. Employees who procure need to consider whether there are additional risks, and whether further mitigation measures are required.




- Avoid unnecessary purchases
- Choose purchases that:
  - Minimise waste disposal according to the waste hierarchy:



- Respond to climate change through mitigation and adaptation measures
- Maximise resource efficiency
- Protect and restore natural resources
- Promote a culture that encourages constructive behaviours in all our activities
- Provide a safe, healthy and enjoyable working environment
- Conserve and improve biodiversity and ecosystems
- Are sustainable investment decisions
- We engage suppliers who:
  - Demonstrate best-practice sustainable business practices and supply sustainable products
  - Avoid misrepresenting themselves, their products or their practices
  - Provide strategies to avoid and mitigate environmental impacts as or before they arise
  - Demonstrate knowledge of and engagement with their supply chains.

## References/Related documents

### Governing documents

- [Melbourne Water's Statement of Obligation \(PDF, 100kb\)](#) 
- [Melbourne Water's Strategic Framework \(PDF, 840kb\)](#) 
- [Australian and New Zealand Government Framework for Sustainable Procurement](#) 
- [AS/NZS ISO 14001:2008 Environmental Management Systems](#)

### Primary supporting documents and tools

- *Sustainable Procurement Guidelines*
- *Sustainable Procurement Monitoring Tool*
- *Sustainable Procurement Report*
- *Sustainable Procurement Stakeholder Information*

### Other supporting documents

- *Procurement and Purchasing Policy*
- *Purchasing Guideline*
- *Triple Bottom Line Guidelines*
- *Sustainable Procurement Register (contact Supply Team)*
- *Environment Policy*
- *Health and Safety Policy*
- *Code of Conduct*
- *Credit Card Usage Policy*
- *Petty Cash Policy*
- *Procurement and Payments Control Manual*
- *Procurement and Payments Procedure Manual*
- *Procurement Expenditure Guideline*
- *Credit Card Guideline*