



ASSESSING A SUPPLIER'S SUSTAINABILITY CREDENTIALS



ABOUT THE AUSTRALIAN PROCUREMENT AND CONSTRUCTION COUNCIL

Founded in 1967 the Australian Procurement and Construction Council Inc (APCC) (formerly the National Public Works Council) is the peak council of departments responsible for procurement, construction and asset management policy for the Australian, State and Territory governments and the New Zealand Government. The APCC reports to the Australian Procurement and Construction Ministerial Council (APCMC), comprising Ministers with direct responsibilities for procurement and construction matters. The APCMC is a Council of Australian Governments (COAG) Ministerial Council.

The APCC has established itself as a national reference point for both government and industry on best practices, principles and emerging issues in procurement, construction and asset management disciplines.

The APCC collective maximises opportunities to leverage off one another and provides leadership in these disciplines to improve and implement new and evolving procurement practices in ways that will deliver service benefits to the Australian and New Zealand communities.

The APCC forum is a catalyst for knowledge sharing, intelligence gathering and has the information networks to draw on for innovative business solutions for jurisdictions to deliver expected targets, savings and outcomes. The APCC collective continues to strengthen relationships with government partners and other stakeholders to promote a consistent and coordinated national approach to government procurement.

ABOUT SUSTAINABLE PROCUREMENT

Sustainable procurement means that when buying goods and services organisations will consider:

- ◆ strategies to avoid unnecessary consumption and manage demand
- ◆ minimising environmental impacts of the goods and services over the whole-of-life of the goods and services
- ◆ suppliers' socially responsible practices including compliance with legislative obligations to employees
- ◆ value for money over the whole-of-life of the goods and services, rather than just initial cost.

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This Australian Procurement and Construction Council (APCC) sponsored project is part of the implementation of the Australian and New Zealand Government Framework for Sustainable Procurement (Framework). The Framework was released by the Australian Procurement and Construction Ministerial Council in September 2007.

This document aims to provide a useful set of sustainability related supplier questions to procurement officers involved in developing tender or request documents or when assessing the sustainability credentials of a contracted supplier.

Procurement Officers across all levels of government are increasingly required to include sustainability considerations in their decision making. The criteria or questions that follow are designed to provide guidance on how an officer might assess the level of commitment and performance of a contracted supplier (or respondent to a tender) to environmental and social sustainability.

Particular criteria or questions may not be applicable to some goods or services, nor to some suppliers or contract types. The intention is that officers select those criteria or questions most appropriate for their procurement or contract management requirements. Alternatively some or all of these questions could be used as a supplier questionnaire as part of the tender process.

Potential questions have been grouped into the following categories of sustainability commitment and performance:

- Systems for Environmental Management
- Employment Practices
- Corporate Social Responsibility
- Greenhouse Gas Emissions
- Commitment to sustainability and demonstrated sustainability improvements
- Packaging
- Transport and Logistics
- 'Green' Product Reporting

Suggested Evaluation Criteria applicable to each category of questioning have also been included for guidance purposes only. These are typically arranged as a graduated level of performance or commitment in order to assist in making comparative assessments.

Any supplier to government reading this document should note that these criteria may not be universally applied and that the suggested evaluation criteria and scoring may vary from one tender to the next. Also it is important to note that variations of this document will be progressively "rolled-out" by jurisdictions.

No. Potential Supplier Questions

1. *Systems for Environmental Management*

Part A

Describe the system, processes and practices that enable your organisation to reduce your environmental impacts, meet your legal environmental requirement and achieve continual improvement of your environmental performance?

Criteria that are to be commented on in responding to this requirement include:

- The existence of an operational environmental management system (EMS). Please indicate whether this meets a recognised standard, such as ISO 14001, European EMAS, U.S. EPA Performance Track or equivalent. Please provide evidence of certification.
- The organisation’s environmental policy, which commits the organisation to a programme of environmental improvement. Please provide a copy of the policy.
- The organisation’s environmental strategy, objectives and targets, as well as key performance indicators for these targets. Please provide examples.
- How the environmental policy, strategy and targets are communicated to all staff, including any training provided on sustainability.

Part B

In the last two years has your organisation been subject to any court proceedings related to breaches of environmental legislation? If yes, what was the outcome?

Part C

Does your organisation maintain records of potential environmental hazards and have mitigation strategies and systems in place to reduce environmental hazards, e.g. carcinogens, irritants? Please provide examples.

2. *Employment Practices*

Part A

What does your organisation do to apply fair employment practices to your workforce employees and sub contractors?

Criteria to be commented on in responding to this requirement include:

- The organisation’s documented policy for workforce and labour practices aligned to international standards, e.g. UN Global Compact International Labour Organisation Certification of employment practices to SA 8000.
- Requirements for your organisation’s suppliers to have workplace practices based on ILO core conventions, certified to SA8000 or similar.
- Other certifications relevant to employment practices, eg Fairtrade certified. Please provide evidence of certification and provide details of the products certified.

Part B

Has your organisation had any employment related convictions in the past two years? If yes, what was the outcome?

No. Potential Supplier Questions

3. **Corporate Social Responsibility (CSR)**

Describe the formalised programs or initiatives that the organisation has in place that are directed towards meeting social and ethical responsibilities and objectives.

Criteria that are to be commented on in responding to this requirement include:

- Corporate Reporting that describes the organisation's approach to CSR, preferably with such reporting meeting external reporting guidelines, e.g. the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines (2002) and is publicly available.
- Any other formal CSR commitments made or CSR initiatives in which the organisation is involved.
- Awards or nominations that the organisation has received for its CSR activities. Please provide evidence.

4. **Greenhouse gas (GHG) emissions**

What steps does your organisation take to reduce its greenhouse gas emissions?

Criteria to be commented on in responding to this requirement include:

- Initiatives that the organisation has undertaken to calculate its GHG emissions, indicating whether these calculations are based on recognised guidelines, e.g. DOCC.
- An endorsed policy with respect to reduction of GHGs indicating the management systems and processes in place to support the endorsed policy.
- GHG reduction targets and proposed actions to achieve GHG reductions.
- Demonstrated GHG emissions reductions achieved.
- Public reporting of GHG emissions, and/or targets and actions for reduction.

5. **Commitment to sustainability and demonstrated sustainability improvements**

Part A

Describe the processes and practices that demonstrate your organisation's commitment to and delivery of sustainability principles, including improving the sustainability performance of your organisation?

Criteria that are to be commented on in responding to this requirement include:

- Initiatives that the organisation has undertaken to identify and analyse the sustainability impacts associated with its business, including any waste streams. This could include audits of energy and/or water usage and waste generation. Please provide sample audits.
- Initiatives that have been implemented to achieve improved environmental or sustainability outcomes within the organisation's operations. This could include, as examples; initiatives to reduce or recycle waste, eco-design initiatives, energy saving and energy efficiency initiatives, generation or use of renewable energy, water saving or water reuse/recycling initiatives, waste reducing initiatives, or use of eco-labelled products.
- Demonstrated achieved eco-efficiency improvements in your production/manufacturing process.
- Awards or recognition that the organisation has achieved or been nominated for, in relation to its sustainability or environmental performance. Please provide evidence of award or nomination.
- (Queensland only) whether the organisation is an ecoBiz Partner, and if so, describe the eco-efficiency actions/projects that the organisation has undertaken as part of participating in the ecoBiz program.

No. Potential Supplier Questions

5. Part B

Describe programs or initiatives that your organisation has implemented *across the supply chain* that are directed towards becoming aware of, and improving the sustainability performance of its products and/or services (including from a whole of life perspective and ethical sourcing).

6. Packaging

Describe any initiatives that your organisation has in place to minimise/reduce the amount of packaging used?

Criteria that are to be commented on in responding to this requirement include:

- Whether the organisation is a signatory to the National Packaging Covenant (NPC).
- Demonstrated reductions in packaging volumes and targets for further packaging reduction and recycling.
- Any 'take-back' of packaging supplied with products and evidence that the collected packaging is recycled and/or reused. Include a description of how packaging is managed after delivery of products and whether the packaging can be recycled locally.

7. Transport and logistics

Describe initiatives that the organisation has implemented to reduce the environmental impacts directly associated with the transportation of raw materials/component parts and/or finished products.

Criteria that are to be commented on in responding to this requirement include:

- Initiatives in place to improve efficiencies in delivery, e.g. reduced travel distances and/or frequency of travel associated with distribution of products, or transport logistics software that incorporates sustainability considerations.
- Initiatives in place to reduce the environmental impacts of travel, e.g. fuel efficiency, reduced air and noise pollution, or reduced carbon emissions. This could be demonstrated, for example, by utilising vehicles that rate 4 stars or more in the Australian Government's Green Vehicle Guide. Please provide evidence.
- Compliance with or working towards an eco-label or other credible sustainability credential relevant to transport and logistics.

8. 'Green' Product Reporting

Does your organisation provide a 'green' product range? If yes, please describe the criteria used to determine that a product be classified as 'green'.

What data or information can you provide for your 'green' product range?