



Supplier Code of Conduct

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Introduction

This Supplier Code of Conduct (Code) sets out the minimum standards of behaviour that the City of Melbourne (Council) expects its suppliers to meet in the areas of:

- Integrity, Ethics, and Conduct: Suppliers must act honestly and transparently, avoiding relationships with harmful industries, such as, but not limited to those associated with tobacco, armaments, and gambling.
- Environment: Suppliers are expected to identify and record their environmental footprint and actively reduce it, by contributing to sustainable environmental practices.
- Social: Suppliers must actively promote inclusion and equity, particularly by supporting Aboriginal people and other groups facing exclusion, fostering equitable opportunities, and contributing positively to community wellbeing.
- Governance: Suppliers are expected to implement robust governance practices, including ethical risk screening, ensuring respect for labour and human rights, and fostering a safe and healthy environment for workers and stakeholders.
- Conflict of Interest, Gifts, Benefits, and Hospitality: Suppliers are required to declare and manage conflicts of interest and avoid offering or accepting inappropriate gifts or benefits that may influence decision-making.

The Council is committed to ethical, sustainable, and socially responsible procurement and we expect the same high standards of our Suppliers.

Council views its Suppliers as partners and cares about how they do business when providing goods, services or construction works for the Council.

Suppliers to the Council are required to review this Code to ensure that relevant areas of their business and supply chain meet these standards at all times.

Application of the Code

This Code applies when a Supplier provides goods, services, or construction works to Council, regardless of the value.

Suppliers must review and ensure that their personnel, business operations and supply chains meet the minimum standards set out in this Code.

This Code does not supersede, alter, or diminish a Supplier's legislative, policy, regulatory or other contractual obligations.

This Code may be updated from time to time to ensure it remains current and relevant.

Integrity, ethics, and corporate governance

We expect high standards of ethical conduct and compliance with all applicable laws.

Business integrity

Suppliers are expected to comply with all anti-bribery, anti-corruption, anti-money laundering, and modern slavery laws. Suppliers must not engage in, either directly or indirectly, fraudulent, corrupt, exploitative or collusive activities that could, in any way, bring the Council into disrepute or cause reputational harm as a result of the relationship.

Record keeping and documentation

Suppliers are expected to maintain adequate records that accurately record all financial transactions and information regarding its business activities, labour, health and safety and environmental practices in accordance with applicable laws, policies, and procedures. Disclosure of information is expected to be undertaken without falsification or misrepresentation.

Professional conduct

Suppliers must conduct themselves in a manner that is fair, professional, free from bias and avoid bringing the Council, either directly or indirectly, into disrepute or reputational harm. Suppliers must exercise due care and responsibility and must not engage in any activities that are illegal, unsafe, exploitative, fraudulent, corrupt, collusive, or otherwise unethical. Suppliers must comply with their competition law obligations and must not engage in collusive and/or anti-competitive conduct.

Protect sensitive, privileged, and confidential information

When accessing Council information, suppliers must ensure they have appropriate systems and processes in place to protect the Council's information and dispose of it appropriately. Suppliers must not use, or seek to use, information gained in connection to working with the Council for financial or non-financial gain or for any other purpose other than what the information was intended. Suppliers must adhere to confidentiality agreements where these exist.

Codes of Conduct for Council employees

The Council's Code of Conduct describes the behaviours that exemplify the Council values contained in its Code of Conduct in accordance with section 49 of the *Local Government Act 2020*. The Council Code of Conduct applies to and is binding on all council employees, and a contravention may constitute misconduct.

Harmful industries and ethical screening

Suppliers are expected to adhere to stringent ethical standards to ensure that their operations and supply chains align with the Council's commitment to Environmental, Social and Governance (ESG) outcomes. Specifically, suppliers must:

Avoid Harmful Industries

Suppliers should not engage in or have associations with industries or practices that are inconsistent with the Council's values. This includes industries such as fossil fuels, tobacco and related products, armaments, and gambling. It can also encompass various sectors that contribute to significant environmental degradation, public health risks, and ethical concerns.

Implement Ethical Screening

Suppliers must have robust systems in place to assess and monitor ethical risks within their operations and supply chains. This includes:

- Conducting due diligence to identify and address risks of modern slavery, discrimination, or unsafe labour practices.
- Ensuring compliance with international standards, such as the United Nations Guiding Principles on Business and Human Rights.

- Regularly reviewing and updating policies to reflect evolving ethical and sustainability expectations.

Demonstrate Transparency

Suppliers are required to provide clear and accurate reporting on their ethical practices and supply chain management, including:

- Notifying Council within seven (7) days of entering into a relationship with a harmful industry.
- Providing a management plan that proposes mitigations to the risks associated with harmful industries.
- Responding promptly to Council queries or concerns regarding ethical compliance.

Conflict of interest; gifts, benefits, and hospitality

The Council believes that all business activities should be undertaken with impartiality and any conflict of interest should be raised and managed.

Conflict of interest

Suppliers must:

- Notify the Council's Director of Procurement and Contract Management, the appointed Contract Manager under the contract, or the primary Council contact for the goods, services, or construction works being provided. This notification should address any situation that raises an actual, potential, or perceived conflict of interest in connection with any interaction with the Council.
- Avoid financial, business, or other relationships that could compromise the performance of their duties under their business arrangement with the Council.

Under the Council's Code of Conduct, employees are expected to avoid actual, potential, and perceived conflicts of interest wherever possible. Any unavoidable conflicts must be declared and managed appropriately.

Gifts benefits and hospitality

The appropriate handling of offers of gifts, benefits and hospitality is critical to earning and sustaining public trust.

As such, Suppliers should not:

- Offer Council personnel gifts or benefits, either directly or indirectly, and offers of hospitality will be limited to those acceptable under the council gift policy.
- Take any action to entice or obtain any unfair or improper advantage.

Environment, Social and Governance

Commitment to robust ESG principles, including sound management, risk mitigation, and corrective action systems, is essential to ensuring a sustainable and reliable supply chain for the Council. Suppliers are expected to:

- Uphold high standards of environmental stewardship by minimising their environmental impact and adhering to relevant sustainability practices.

- Demonstrate social responsibility through ethical labour practices, respect for human rights, and fostering diversity and inclusion.
- Maintain governance integrity with sound administration processes, transparent decision-making, and effective risk management strategies.

These commitments form the foundation of a responsible and accountable supply chain aligned with the Council's values.

Environment

The Council is committed to promoting environmental responsibility. Suppliers are expected to measure and actively reduce the environmental impact of their operations and maintain environmentally responsible policies and practices.

Environmental impacts

Suppliers must comply with all applicable laws and regulations relating to the environment, including any management, and reporting obligations. Suppliers are expected to manage the environmental impact of their operations by:

- Ensuring the safe storage, transportation and disposal of high-risk and hazardous materials and substances including combustible recyclable and waste materials and hazardous waste.
- Maintaining policies and practices for the efficient use of energy, water, and natural resource consumption.
- Maintaining policies and practices that reduce carbon emissions within their supply chain and, that adopt long term circular economy practices.
- Implementing practices that support biodiversity and promote climate resilience.
- Providing evidence of re-use or recycling of products and waste materials.

Social

Suppliers are expected to contribute to building a socially responsible and inclusive community by adhering to the following principles:

Increase Opportunities for Aboriginal Businesses and Communities

Suppliers should have processes and policies that support engaging with Aboriginal businesses and communities, recognising their essential contributions to our society. This may include prioritising procurement from Aboriginal-owned enterprises and fostering economic empowerment, cultural heritage preservation, and meaningful engagement in decision-making processes.

Promote Equity and Inclusion

Suppliers should champion equity and inclusion in their operations. This involves creating accessible environments, fostering diversity in leadership roles, and ensuring marginalised groups, including those facing systemic exclusion, have equitable opportunities to contribute and thrive.

Governance

Assess and manage risk

Suppliers must develop and maintain appropriate processes to manage the risks associated with their operations. These include, but are not limited to, risks relating to labour and human rights, health and safety, the environment, security (including, for example, cyber security), ethics, corporate governance, and supply

chain risks. Risks should generally be borne by the party best placed to manage them and suppliers should not inappropriately transfer risks, including down their supply chain.

Critical incident management

Suppliers should:

- Identify and assess potential critical incident, emergency situations and business continuity risks.
- Develop and implement emergency plans and response procedures that minimise harm to life, environment, and property, while minimising disruption to business continuity.

Promote fair workplaces

Council believes that all workers in its supply chain deserve to be treated with dignity and respect. Suppliers are expected to provide a fair and ethical workplace, which upholds high standards of human rights and integrates appropriate labour and human rights policies and practices into its business.

Anti-discrimination

Subject to applicable laws, Suppliers are expected not to discriminate against any worker based on age, disability, ethnicity, gender, marital status, political affiliation, race, religion, sexual orientation, gender identity, union membership, or any other status protected by law, in hiring and other employment practices.

Anti-harassment

Suppliers are expected to commit to a workplace free from workplace bullying, harassment, victimisation, and abuse. Suppliers are expected not to bully workers or threaten workers with, or subject them to, unlawful or inhumane treatment. This includes, but is not limited to, abuse and harassment which can be verbal, physical, sexual, or psychological.

Working hours, wages, and benefits

Suppliers must:

- Follow all applicable laws and regulations with respect to wages, working hours and workers compensation insurance.
- Ensure that all workers receive their legally mandated minimum wages, benefits, superannuation, leave entitlements and time off for legally recognised holidays.
- Pay workers' wages as required under applicable laws in a timely manner and not be expected to use wage deductions as a disciplinary measure. All overtime is expected to be reasonable and paid at the rate and in accordance with the applicable laws.

Freedom of association and collective bargaining

Suppliers are expected to freely allow workers to associate with others, form and join (or refrain from joining) industrial organisations or associations of their choice and bargain collectively, or engage in any lawful industrial activity without interference or discrimination.

Ensure safe workplaces

As part of our ESG commitment, the Council prioritises child safety, preventing modern slavery, and health and safety. Suppliers are expected to align with these values by providing a healthy and safe work environment, integrating robust health and safety management practices into their operations, and adhering to strict ethical standards.

Health and Safety

Suppliers must comply with all applicable laws relating to workplace health and safety. Suppliers are expected to:

- Manage occupational health and safety hazards.
- Provide workers with job related training and consult with employees in relation to the provision of information and training.

Modern slavery

Suppliers are expected to provide goods, services, or construction works in a manner that ensures fair labour practices and upholds human rights in their supply chains. Suppliers must comply with local, national, and international labour standards and demonstrate compliance with relevant modern slavery legislation.

Suppliers are expected to proactively identify, address and – where required by legislation – report on risks of modern slavery practices (defined broadly to include all forms of human trafficking, forced labour and slavery-like practices) in their business operations and supply chains.

Suppliers are expected to:

- Ensure that all work is undertaken without coercion.
- Not use any form of forced, bonded or indentured labour.
- Employ only workers who are the applicable minimum legal age.

All use of temporary and outsourced labour should be within the limits of the law. Suppliers are therefore expected to:

- Use all reasonable endeavours to ensure that the third-party recruitment agencies it uses are compliant with the provisions of this Code and applicable law.
- Be responsible for payment of all recruitment related fees and expenses in recruiting foreign contract workers either directly or through third party agencies.

Child safety

Suppliers are expected to deliver goods, services, or construction works in a manner that prioritises child safety and aligns with the Council's commitment to safeguarding children and young people. This includes implementing measures to prevent harm, exploitation, or abuse of children in their business operations and supply chains. Suppliers must comply with local, national, and international child safety standards and demonstrate adherence to relevant legislation. Suppliers are also required to identify, address, and—where mandated by law—report on any risks to child safety, ensuring a proactive approach to protecting vulnerable individuals.

Audits and assessments

To ensure compliance with this Code and the applicable laws, Suppliers are expected to:

- Perform periodic evaluations of their facilities and operations, and the facilities and operations of their subcontractors.
- Cooperate openly and honestly with any Council audit, assessment, or review.

Effective Management and Grievance Mechanisms

Suppliers shall develop, communicate, implement, and maintain policies consistent with this Code and maintain appropriate management systems and documentation to demonstrate compliance with this Code. Management accountability and responsibility for ensuring implementation of such management systems must be clearly defined.

Suppliers must provide workers, their suppliers, and members of the community in which they operate in or provide services to with a confidential means to report violations of this Code. Suppliers must have procedures in place to allow workers to bring workplace concerns to the attention of management for resolution and communicate these procedures to workers. The procedures, and associated communication, must be accessible, culturally appropriate and in a language workers understand. Workers must be able to openly communicate and share concerns about working conditions and management practices without fear of retaliation.

Enforcement Provisions

Council may at any time review or audit a supplier's compliance with this Code. In such an event, the supplier must co-operate by providing information, documents, and access to staff as Council reasonably requires. In addition, where Council has reasonable grounds to suspect a breach of this Code by a supplier, Council may require the supplier to provide additional information and, in serious cases, submit to an immediate audit at the supplier's cost.

If a supplier becomes aware of a reasonable risk of a breach to this Code, the supplier must notify Council as soon as practicable. Any identified deficiencies must be corrected in a timely manner as directed by Council. We take this Code seriously and any material non-compliance may result in the termination of the supplier's business relationship with Council.

Continuous Improvement

Suppliers are encouraged to go beyond compliance to applicable laws and take responsibility to continually improve social and environmental conditions and ethical behaviour.