# **Sustainable Supplier Policy**

A key step in minimising a business’ impact on the environment and embedding climate action into operations, is the implementation of and adherence to related policies. As a Trace member we want to help make that as simple as possible for you.

In this document you’ll find:

* Six reasons to implement sustainable policies
* A Sustainable Supplier Policy template for you to adapt to your business and goals

**Six reasons to implement sustainable policies**

1. **Environmental Impact:** Sustainable policies help businesses reduce their negative impact on the environment. By implementing measures to conserve resources, reduce waste, and minimise pollution, businesses can contribute to protecting natural resources.
2. **Potential Cost Savings:** Sustainable practices can often lead to cost savings in the long run. By improving energy efficiency, reducing waste, and optimising resource usage, businesses can lower their operational expenses.
3. **Regulatory Compliance:** Governments and regulatory bodies around the world are increasingly enacting environmental regulations and policies. By implementing sustainable practices, businesses can ensure compliance with these regulations, avoiding penalties and legal issues. Businesses that proactively adopt sustainable policies are better positioned to adapt to future regulatory changes.
4. **Reputation and Brand Image:** Consumers are becoming more conscious of the environmental and social impact of the products and services they choose. By implementing sustainable policies, businesses can enhance their reputation and brand image as environmentally responsible and socially conscious entities. This can attract environmentally conscious consumers and investors contributing to overall business growth.
5. **Employee Engagement and Retention:** Sustainable policies can also have a positive impact on employee engagement and retention. Many employees are increasingly concerned about environmental issues and social responsibility. By aligning their values with those of the business, employees are more likely to feel motivated and satisfied at work.
6. **Long-Term Business Resilience:** Sustainable practices contribute to the long-term resilience of businesses. By reducing dependency on finite resources, diversifying supply chains, and adopting sustainable business models, companies can mitigate risks associated with resource scarcity, regulatory changes, and shifts in consumer preferences.

# **Sustainable Supplier Policy Template**

| **Title** | **Sustainable Supplier Policy** |
| --- | --- |
| Purpose | This policy outlines [Company name]’s commitment to working with suppliers who share our values and commitment to sustainability. It establishes guidelines for selecting, engaging, and collaborating with suppliers who demonstrate environmentally responsible practices and contribute to our sustainability goals. |
| Scope | This policy applies to all suppliers, vendors, contractors, and partners engaged by [Company name] for the procurement of goods and services. |
| Last updated | *[Insert date]* |
| Review date | *[Insert date]* |
| Owner | *[Insert owner]* |
| Links | *[Insert document links]* |

## **Policy**

[Company name] is dedicated to conducting business in a sustainable manner. We recognise the importance of collaborating with suppliers who share our commitment to sustainability. We aim to build long-term relationships with key suppliers who prioritise environmental protection, social responsibility, and ethical business practices. This policy encourages the purchase and use of materials, products, and services - including outsourced staffing services - that incorporate environmental, social, community, and performance goals, in order to scale our impact and foster more conversations in these areas. It outlines our expectations for suppliers to align with our sustainability values and support our efforts to minimise environmental impact.

## **Supplier Selection and Evaluation**

* When selecting suppliers, we will consider their sustainability practices and their ability to meet our environmental requirements.
* Preference will be given to suppliers that meet robust third-party social and environmental criteria. Where reasonable, all significant suppliers should meet one or more of the following:
	+ Certified B Corporation, social enterprise or not-for-profit organisation
	+ A certified carbon neutral business
	+ Green Star Certified
	+ Other rigorous and independent third-party certifications will be considered on a case by case basis.
* When price and quality are equal, preference will also be given to businesses that are owned / led by:
	+ women, Aboriginal or Torres strait islanders, people with disabilities or minority-owned
	+ independent small businesses physically located within 150 kilometres of [company name] (relative to where the work is being done / where the team is located).

## **Resources**

## Resources for sourcing suppliers:

## [Supply Nation](https://supplynation.org.au/). Australia’s leading database of verified indigenous businesses.

## [Kinaway Chamber of Commerce](https://kinaway.com.au/). Victorian database of indigenous businesses.

## [B Corp Global directory](https://bcorporation.com.au/find-b-corps/). Directory of B Corps - purpose driven and diverse businesses.

## [Women-led Business Directory](https://womenledbusiness.com.au/). Women led businesses in Australia.

## Carbon neutral certifiers directories:

## [Trace](https://www.our-trace.com/brand)

## [Climate active](https://www.climateactive.org.au/buy-climate-active/certified-brands)

## **Purchasing**

[Company name] aims to actively reduce its need for ongoing consumables. Remaining purchases are evaluated for sustainability, such as paper materials (business cards, printer paper, envelopes, files, etc.) that meet one or more of the following criteria:

1. At least 50% post-consumer recycled material
	* At least 50% renewable materials
	* At least 50% materials harvested or extracted and processed within 500 kilometres
	* At least 50% FSC certified paper products
2. In addition, [Company name] must only procure necessary equipment. Of those necessities, we encourage the purchase of sustainable, durable goods. These include:
	* Environmentally sustainable, electric-powered equipment, including office equipment, appliances, external power adapters, televisions, and other audio-visual equipment. Must be Energy Star certified, where feasible.
	* Secondhand electronics and equipment will be purchased when possible.
	* Environmentally preferable or secondhand furniture should be purchased, where feasible.

## **Environmental Responsibility**

Suppliers are expected to minimise their environmental impact through sustainable practices, including resource conservation, waste reduction, and pollution prevention.

Suppliers should strive to minimise packaging waste, promote the use of recyclable or biodegradable materials, and explore alternative packaging options.

Suppliers are encouraged to adopt energy-efficient practices, such as utilising renewable energy sources and implementing energy-saving technologies.

Key suppliers should also be encouraged to measure and monitor their carbon emissions, and in cases where it is feasible to do so, provide [Company name] with information relating to the carbon emissions associated with the goods or services provided.

## **Ethical and Social Responsibility**

Suppliers must adhere to ethical business practices, including fair labour practices, ethical treatment of human rights, and compliance with relevant laws and regulations.

Suppliers should promote diversity, equality, and inclusivity in their workforce and supply chain.

We refuse to engage in business with any contractors, vendors, or suppliers found to promote gender inequality, violence, child labour, forced labour, exploitation or discrimination.

We require our suppliers to confirm that they pay all of their staff a living wage, ideally verified by an independent third party such as being B Corp certified.

## **Sustainable Supply Chain**

Suppliers are encouraged to establish sustainable sourcing practices, such as responsibly sourcing raw materials, promoting fair trade, and supporting local communities.

Suppliers should prioritise suppliers and subcontractors who demonstrate commitment to sustainability and ethical practices.

Collaboration with suppliers to improve the sustainability of the supply chain is encouraged, including joint initiatives and sharing of best practices.

## **Continuous Improvement**

We expect suppliers to continuously improve their sustainability performance and actively seek ways to minimise their environmental impact.

Suppliers should establish measurable sustainability goals and regularly report on their progress.

We will engage in regular communication and collaboration with suppliers to identify areas for improvement and share sustainability-related knowledge and resources as requested.

## **Compliance and Accountability**

Suppliers are expected to comply with this policy and applicable environmental laws, regulations, and industry standards.

Non-compliance with this policy may result in a reassessment of the supplier relationship or termination of the contract, depending on the severity of the non-compliance.

## **Communication and Implementation**

This policy will be communicated to all current and prospective suppliers.

We will work collaboratively with suppliers to implement and integrate sustainability practices throughout our supply chain as required.

[Company name] is developing a Supplier Code of Conduct. We are working towards having all suppliers sign this prior to engagement.

## **Reporting and Transparency**

We encourage suppliers to report on their sustainability initiatives and progress, as well as any challenges they encounter.

We will promote transparency by sharing relevant sustainability information with stakeholders, subject to confidentiality agreements.

## **Support and Resources**

We do not currently provide support and resources to suppliers to facilitate their compliance with this policy and to enhance their sustainability practices. We are working towards this.

## **Compliance and Accountability**

All employees and stakeholders are expected to comply with this policy and support its implementation.

Managers and supervisors are responsible for ensuring that employees are aware of and adhere to the policy.

**Review and Revision**

This policy will be reviewed periodically to ensure its effectiveness and relevance. [Company Name] reserves the right to revise or amend this policy to reflect changing sustainability standards and goals.

By adhering to this Sustainable Supplier Policy, [Company Name] and its suppliers demonstrate a shared commitment to environmental, social, and ethical responsibility, working together to create a sustainable and responsible future.