# Supplier guidance for the Supplier Code of Conduct

These guidance notes:

* explain aspects of this Supplier Code of Conduct (**Code**); and
* set out ways a Supplier may meet the standard of a responsible Supplier.

The guidance should be read in conjunction with the Code.

# Committing to and complying with the Code

The **Supplier Code of Conduct** describes how Suppliers commit to and comply with the Code.

The action of submitting an offer or signing a contract with the government indicates that a Supplier agrees:

* to meet the standards set out in the Code; and
* to comply with provisions relating to implementing and enforcing the Code.

The obligation to comply with the Code is intended to:

* strengthen the integrity of Suppliers’ businesses and reduce business risks; and
* place Suppliers in a better position to bid and win government contracts.

# Informing government buyers of non-compliance with the Code

Suppliers must report non-compliance with the Code as set out in the relevant contract under which they provide goods and services or works. This includes notifying departments and agencies of:

* non-compliance or breaches of the Code; and
* any adverse rulings or enforceable undertakings related to conduct under the Code.

A Supplier who is a party to a State Purchase Contract or is on a State Government Register must notify the lead department of:

* non-compliance or breaches of the Code; and
* any adverse rulings or enforceable undertakings related to conduct under the Code.

Adverse ruling means a ruling by any court, tribunal, board, commission or other entity with jurisdiction or legal authority to determine the matter, that the Supplier has breached a law or regulation applicable to the Code.

Enforceable undertaking means a promise or agreement made by a Supplier with a regulator, court or other body (including the Fair Work Ombudsman, WorkSafe Victoria and Wage Inspectorate Victoria) in respect of a breach or alleged/suspected breach of a law or regulation applicable to the Code.

**Professional conduct**

Suppliers must conduct themselves in a manner that is fair, professional and that will not bring us into disrepute. Suppliers must notify us when government employees or other suppliers are not upholding the requirements of or values in the Victorian Public Services Code of Conduct or in this Code.

# How Suppliers can demonstrate they meet the requirements in the Code

Factors relevant to how a Supplier establishes compliance with the Code include:

* the size and scale of the Supplier's business;
* the location of the Supplier’s business; and
* the industry the Supplier operates in.

To achieve compliance with the Code, Suppliers should:

* implement policies and practices that are consistent with the Code; and
* consider holding relevant certifications and accreditations, taking into consideration the Supplier’s industry and size.

The following sections of these Guidance Notes set out business practices related to the conduct areas in the Code. **The list is non-exhaustive and are examples only**. Suppliers may develop other ways to comply with the Code.

Suppliers should seek independent advice and consider what practices are relevant to their business.

# Legal and policy considerations

Within the localities and industry within which it operates, Suppliers should have regard to their obligations under:

* applicable legislation and reporting obligations;
* industry and other relevant standards;
* certifications; and
* state and federal government policies.

This Code operates concurrently with the Fair Jobs Code.

# Integrity, ethics, and corporate governance

Suppliers should have regard to how integrity and ethical conduct can be promoted, encouraged and supported within their business. This includes having policies and procedures that deal with:

* promptly declaring and managing conflicts of interest that arise throughout the duration of the contract that may be:
	+ actual;
	+ potential; and
	+ perceived.
* keeping full and accurate records of its business activities as legally or contractually required, without falsification or misrepresentation
* cooperating openly and honestly with any State audit, assessment, or review
* undertaking pre-employment screening or background checks of workers
* not offering State personnel gifts or benefits, either directly or indirectly. Limiting hospitality to basic courtesy only (such as tea and coffee during a meeting)
* not using Victorian Government information for personal benefit
* complying with all relevant legislation, standards and policies that apply to the localities in which they operate, in addition to any requirements set out in this Code
* managing its business activities and affairs and conduct themselves professionally and with integrity
* complying with reasonable standards of ethical behaviour, or the standards of conduct that a reasonable person would otherwise expect of a Supplier to the Victorian Government
* not engaging in conduct that has or may have a material adverse effect on, or on the perception of, the character, integrity, or honesty of the Supplier
* being ethical and transparent in their business activities, including relationships between:
	+ the Supplier and government; and
	+ with other Suppliers.

Sound corporate governance measures are varied and diverse and may include:

* implementing processes to identify, manage and control relevant risks within its operations
* performing periodic evaluations or audits of its facilities and operations, and the facility and operations of its subcontractors, relating to:
	+ labour and human rights
	+ health and safety
	+ the environment
	+ business ethics
	+ industry standards
	+ corporate governance.
* sharing findings of audits, evaluations and benchmarking openly with government buyers when requested
* dealing fairly with subcontractors, such as paying sub-contractors promptly
* identifying and assessing potential critical incident, emergency situations and business continuity risks and develop and implement emergency plans and response procedures that minimise these risks
* using sound administrative processes and best practice corporate management to support transparent operations, including:
	+ record keeping;
	+ practice reviews; and
	+ publicly available reporting, where applicable.

Establishing compliance with confidentiality of systems and processes may include:

* safeguarding the confidentiality of the Victorian Government’s information
* safeguarding the integrity of business systems to protect against cyber risks to the Victorian Government’s:
	+ information;
	+ networks; and
	+ business operations.
* taking precautions to counter potential foreign interference risks to the integrity of the Victorian Government
* complying with any security requirements notified to them by the Victorian Government, ensuring adequate protection of:
* information;
* assets; and
* tools and materials.

# Labour and human rights

Achieving compliance with labour and human rights obligations would address:

* complying with relevant employment-related and industrial relations laws and regulations including wages, working hours, leave entitlements and superannuation
* complying with National Employment Standards and other relevant employment related and industrial relations laws and regulations
* taking reasonable and practicable action to ensure a safe and healthy work environment
* complying with anti-discrimination laws
* providing a workplace free from workplace bullying, harassment, victimisation, and abuse
* providing services consistent with human rights obligations
* providing a workplace free of modern slavery
* monitoring supply chains and addressing human rights standards or any type of modern slavery practice as defined under the relevant legislation
* providing a remediation process for workers who have experienced discrimination
* providing a culturally safe workplace that reflects the gender make-up and diversity of the Victorian community
* collaborating with Suppliers across the supply chain to identify and communicate the requirements of the Code
* providing a workplace where workers have equal access to wages and working conditions based on their skills and experience
* allowing workers to:
	+ associate with others
	+ form and join (or refrain from joining) industrial associations of their choice
	+ bargain collectively
	+ engage in any lawful industrial activity without interference.

# Health, safety, and security

Achieving compliance with health and safety obligations is multi-faceted and includes:

* complying with all laws relating to workplace health and safety and workers compensation insurance
* taking reasonable and practicable action to ensure a safe and healthy work environment
* providing workplace assessments or procedural manuals for employees to carry out work safely
* providing training to manage and reduce occupational health and safety hazards
* monitoring and raising these standards within their organisation and their supply chain.

# Environmental sustainability

Establishing environmental sustainability includes:

* complying with laws relating to protecting the environment
* complying with environmental reporting obligations
* implementing business practices that reduce:
	+ pollution and the risk of pollution
	+ loss of biodiversity
	+ deforestation
	+ damage to ecosystems
	+ greenhouse gas emissions
	+ waste production
	+ inefficient use of energy, water, and natural resources.
* taking up use of renewable energy
* looking for opportunities to recycle, remanufacture or re-use products after they have served their initial purpose
* using and purchasing products made from recyclable material where possible
* selecting sustainable Suppliers within the supply chain
* disposing of waste in a responsible manner
* maximising recycling waste to reduce the volume of waste going to landfill
* implementing environmental management procedures
* looking for opportunities to improve environmental sustainability.

# If a review finds that a Supplier has breached the Code

A Supplier’s conduct under the Code may be reviewed in accordance with the contract.

Following a review, the department or agency may:

* require a Supplier to put in place a remediation plan to rectify breaches of the Code
* share information about a Supplier’s ethical performance with other purchasing departments and agencies.
* in more serious cases of ethical non-compliance:
	+ suspend or terminate a contract with the Supplier
	+ suspend or terminate a Supplier’s participation in a panel or register.
* If relevant, notify the Fair Jobs Code Unit, or other independent review bodies.

# Supporting documents

The following documents should be read in conjunction with the guidance:

* Supplier Code of Conduct
* Model clauses for tendering and contracts for Supplier Code of Conduct.

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