

Supplier Code of Conduct

Questions and Answers

These questions and answers are intended to assist with understanding the Supplier Code of Conduct and how it can be implemented.

General

What's the purpose of this Code?

This Code outlines Government's expectations of the suppliers we engage. The Government expects its suppliers to meet or exceed the minimum standards set out in this Code and to comply with all applicable laws and regulations when doing business with us.

Why develop this Code?

The Government is committed to sustainable, transparent and inclusive government procurement and we expect the same high standards of our suppliers. This Code states the behaviours and standards that are expected of suppliers to government. Suppliers are often an extension of an agency's business, with their employees interacting with the public on their behalf.

How will this Code be implemented?

Agencies can implement this Code in the way that is most appropriate to their circumstances and the procurement activity. For example, agencies may continue to use their own code of conduct, or they may require their suppliers to commit to this Code within their contracts, or they might decide to build particular commitments into specific contracts.

This flexible approach recognises that agencies contract with suppliers for a range of different goods and services.

Who does this apply to?

This Code sets the expectations for all Government suppliers but how it will apply will depend on how agencies decide to implement it. Suppliers will be responsible for communicating this Code to their subcontractors.

Does it apply to international supply chains?

This Code is intended for all suppliers to Government and their subcontractors in the domestic supply chain. We understand that some international supply chains are harder to monitor, however we expect our suppliers to monitor them and take steps to resolve any known instances of non-compliance.

When will it take effect?

Agencies are encouraged to start incorporating this Code into their procurement processes immediately.

How can suppliers demonstrate that they meet the expectations set out in this Code?

Suppliers could use a range of evidence to demonstrate that they meet the expectations set out in this Code, including policies and practices, certifications and accreditations. Agencies may request that their suppliers provide them with evidence of their compliance with this Code.

What will happen if a supplier does not meet the expectations set out in this Code? How will this be enforced?

This will depend on what the supplier has done (or not done) and what the contract says about this sort of conduct, which may include grounds for termination. It will be up to the agency to determine how they will enforce the expectations set out in this Code.

An agency may also choose to exclude a supplier from participating in a contract opportunity if there is evidence that the supplier has offended against this Code (see Rule 44 - Reasons to exclude a supplier, of the Government Procurement Rules).

Is this Code transferring more risk to suppliers?

No. Risk is discussed and agreed in the contractual arrangement between the supplier and the agency.

What if the contract differs from what is in the Code?

If agencies and suppliers agree to stricter or more detailed requirements, then suppliers are expected to meet those requirements that are set out in the contract. In the event of any inconsistency, contracts and the Government Procurement Rules should take precedence over this Code.

Will this Code generate additional costs for suppliers?

This Code reflects what should sensibly already be in place. Conforming to this Code by applying ethical, sustainable and socially responsible business practices will strengthen the integrity of suppliers' businesses and place them in a better position to bid and win government contracts. Businesses that don't have ethical, sustainable and socially responsible business practices may well incur costs in meeting the minimum standards set out in this Code.

Ethical behaviour

What are ethical standards?

In order to do business with Government we expect suppliers to conduct their business and affairs in accordance with the highest ethical standards, including meeting industry standards and codes, not misleading or deceiving, acting fairly and honestly and treating people with respect.

What do you mean by being transparent about their practices?

There are a range of ways suppliers can be transparent about their ethical policies and practices. These could include publishing their workplace policies online, promoting them or providing them when requested.

Labour and human rights

What international standards does this Code refer to?

This Code refers to international standards that are protected under international treaties or conventions recognised by New Zealand, such as the [United Nations Universal Declaration of Human](#)

[Rights, Convention on the Rights of the Child](#) and [International Labour Organization \(ILO\) conventions](#).

**Why are suppliers only asked to ‘monitor and address’ human rights within their supply chain?
Should they not be actively promoting human rights?**

We expect suppliers to adhere to human rights standards within their domestic supply chain, such as eliminating modern slavery. However we realise that some international supply chains can be complex and difficult to monitor especially for small businesses. This Code sets an expectation that suppliers monitor human rights and take reasonable steps to address any breaches that come to their attention in their international supply chain.

We want to strike a balance between setting expectations on suppliers and not creating a Code that is overly burdensome for businesses in New Zealand.

Health, safety and security

Shouldn’t security and safety of information be contained in the contract rather than in the Code of Conduct?

This is a set of expectations that suppliers should meet at a minimum. Each individual agency should detail their specific security and safety of information requirements as part of their contract with the supplier. We expect security obligations will be managed by the party best positioned to manage it.

Environmental sustainability

What does environmental sustainability mean in this context?

Environmental sustainability refers to business operations and practices that respect the protection and preservation of the environment, reducing waste, carbon emissions and pollution.

What documentation will be needed to demonstrate compliance?

Government’s expectation is that suppliers will establish environmentally responsible business practices and commit to helping New Zealand’s transition to a net zero emissions economy.

There are a range of ways suppliers could demonstrate their environmentally responsible business practices, including publishing them on their website, promoting them or providing them when requested in tender documentation.