

Note:

- **Green highlighted text indicates changes from current Supplier Code of Conduct**
- **Pink highlighted text indicates changes requested by Directors at the 8 August Finance & Assurance Committee**



Auckland Transport Supplier Code of Conduct

August 2023



Purpose

Auckland Transport is a Council Controlled Organisation of Auckland Council and is the organisation responsible for the Auckland transport system. Our purpose is to contribute to an effective, efficient, and safe Auckland Land Transport system in the public interest.

The Auckland Transport Supplier Code of Conduct sets out minimum expectations applicable to all suppliers and contractors providing goods and services to Auckland Transport. It is the foundation document requiring commitment from our suppliers to best practice relating to social, environmental, ethical and financial responsibility. The scope of the Code includes suppliers' parents, affiliates, subsidiaries and subcontractors.

AUCKLAND TRANSPORT'S COMMITMENT

Auckland Transport is committed to:

- The safety, health and security of our employees and contractors, and of our customers and communities.
- Demonstrating a sense of social responsibility by having regard to the interests of the community in which we operate and by endeavouring to accommodate or encourage these interests when able to do so.
- Meeting our statutory obligations under Te Tiriti o Waitangi, establishing and maintaining processes for Māori to contribute to its decision-making processes, and contributing to strong Māori communities and better outcomes for Māori.
- Demonstrating environmental responsibility.
- Operating in a financially responsible manner.
- Maintaining a fair, ethical, and responsible approach to business, and meeting its statutory human rights obligations.
- Continuously reviewing and improving our ethical and responsible sourcing and procurement due diligence processes.
- Working with suppliers who align with AT's values and goals and supporting them to improve their practices relating to ethics and sustainability.
- Expanding the diversity of our supplier network.
- Using best endeavours to ensure that suppliers of goods and services to our organisation comply with the Supplier Code of Conduct.

OUR SUPPLIERS' COMMITMENT

Auckland Transport expects suppliers to share and support our commitment, as detailed above.

As a condition of doing business with Auckland Transport, suppliers, whether directly or through their supply chain, are required to comply with all relevant legislation and to commit to the expectations under each of the seven principles detailed in this Code.



APPLICATION OF THE CODE

Auckland Transport acknowledges that achieving the expectations under the principles set out in the Code will be an ongoing and collaborative process. Auckland Transport **requires a commitment from our suppliers, at a minimum, to:**

- Meet the expectations under the seven principles set out in this Code or to have established a clear goal toward meeting the expectations under the principles set forth in the Code.
- Actively review, monitor and modify their management processes and business operations to ensure alignment with the expectations under the seven principles in the Code.
- Notify Auckland Transport of any departures from the expectations under the principles of the Code and take reasonable steps to address, remedy and prevent repetition of any actions that are inconsistent with the Code.

Auckland Transport reserves the right to verify compliance with all the principles in the Code and requires suppliers to cooperate and provide supporting evidence upon request. This may involve **becoming a member of, or entering into partnership with, an approved ethical sourcing and auditing third party**, completion of self-assessment questionnaires, or cooperating with site visits or audits by Auckland Transport or our agents. **Where non-compliance is identified, suppliers are required to work with Auckland Transport on a Corrective Action Plan and a Continuous Improvement Pathway. Major non-compliance will be treated as breach of agreement and may lead to contract termination.**

WITHIN THE SUPPLY CHAIN

Auckland Transport expects that its suppliers will work with their own suppliers and contractors to ensure that they **are committed to all the principles** of the Auckland Transport Supplier Code of Conduct. **For those businesses, employers, contractors and suppliers in supply chains that are high risk, suppliers are required to seek more data through monitoring, audits and third-party verification, where necessary. Where non-compliance is identified, our suppliers are required to work with their supply chain on a Corrective Action Plan and a Continuous Improvement Pathway.**

REVIEW OF THE CODE

Auckland Transport will review the Code annually to ensure that the Code accurately reflects best practice, **in consultation with experts in the field.**



MĀTĀPONO 1: TE KIRIHOKO ME TE HAPORI

PRINCIPLE 1: CUSTOMER AND COMMUNITY

Auckland Transport recognises that many of our suppliers are the ‘public face’ of the transport system. We expect suppliers to share our commitment to support and positively contribute to the lives of the customers and communities that we serve and operate in a way that supports the social and economic wellbeing and resilience of Auckland now and into the future.

To support this principle, Auckland Transport requires suppliers to commit to the following:

- 1.1 Understand, recognise and be responsive to customer needs and expectations. Support easy journeys for all customers and communities.
- 1.2 Interact with customers and communities in a way that respects and values their diversity.
- 1.3 Work collaboratively with suppliers, partners, customers and communities to deliver better outcomes for people and place.
- 1.4 Proactively look for opportunities to work with diverse suppliers, such as local small-to-medium businesses, social enterprises or impact-led organisations, or businesses owned by women, Māori, Pasifika or people with disabilities.
- 1.5 Where possible, provide employment opportunities for people from Auckland’s under-served communities for whom there are barriers to employment or who experience significant inequities or higher levels of deprivation. Work to build employee skills, capability and qualifications and ensure they have opportunities for career progression and are paid fairly for their work.



MĀTĀPONO 2: TE HAUORA, TE HAUMARU ME TE TAKUHE

PRINCIPLE 2: HEALTH, SAFETY AND SECURITY

Keeping people safe is at the heart of everything we do at Auckland Transport. We expect suppliers to demonstrate a strong commitment to safety, health and security of their employees and contractors, and to our customers and communities within the context of the operations of Auckland Transport.

To support this principle, Auckland Transport requires suppliers to commit to the following:

- 2.1 Comply with all relevant health and safety legislative requirements.
- 2.2 Maintain a Health and Safety policy that is freely available to all employees. All suppliers must have policies, procedures and practices in place that manage the risks of worker impairment from drug or alcohol use.
- 2.3 Provide a physically and psychologically safe and secure work environment for employees, visitors and third parties by:
 - managing and mitigating risk
 - employing safe systems of work
 - providing employees and contractors with appropriate training in safe work practices.
- 2.4 Manage and mitigate health, safety and security risks for Auckland Transport's customers and communities within the context of the operations of Auckland Transport.



MĀTĀPONO 3: TE MOMOHO ME TE ORANGA O TE MĀORI I TĀMAKI MAKĀURAU

PRINCIPLE 3: THE PROSPERITY AND WELLBEING OF MĀORI IN TĀMAKI MAKĀURAU

Auckland Transport is committed to meeting its obligations under Te Tiriti o Waitangi and to contributing to strong Māori communities and better outcomes for Māori.

To support this principle, Auckland Transport requires suppliers to commit to the following:

3.1 Contribute to [Auckland Transport's Māori Outcomes Plan](#) to help build strong Māori communities.

3.1 Proactively look for opportunities to partner with Māori-owned businesses in the delivery and supply of goods and services.

3.2 Conduct business with Māori that takes a Treaty-based (Te Tiriti o Waitangi) approach, working in partnership to improve economic and wellbeing outcomes for Māori. In order to work well in partnership, awareness and understanding of Te Ao Māori (Māori world view) is important, and the organisation should be taking reasonable steps to close the gap, if this knowledge is not currently held within the business.

3.3 Where appropriate, have in place strategies, policies and plans to attract and retain Māori employees, ensure that they are paid fairly for their work and that they are given opportunities to progress through the organisation.



MĀTĀPONO 4: NGĀ MANA TANGATA ME NGĀ ĀHUATANGA O TE WĀHI MAHI

PRINCIPLE 4: HUMAN RIGHTS AND WORKPLACE CONDITIONS

One of Auckland Transport's principal objectives is to be a good employer. We expect suppliers to be good employers also. It is important to Auckland Transport that the employees, staff and contractors in our supply chain have their human rights respected and are provided with acceptable working conditions. Auckland Transport also expects suppliers to, wherever possible, go beyond minimum employment laws and do what they can to ensure the wellbeing of workers.

To support this principle, Auckland Transport requires suppliers to commit to the following:

Within their organisation

- 4.1. Comply with all relevant human rights legislation in respect of their employees and business operations.
- 4.2. Conduct their business activities in a manner which respects human rights as set out in the United Nations Universal Declaration of Human Rights and the fundamental conventions of the International Labour Organisation.
- 4.3. Provide an inclusive and respectful workplace that is free from all forms of direct and indirect discrimination, harassment and bullying, and ensure this commitment extends to all aspects of workplace relations. Ensure that ethnicity, religion, age, sexual orientation, gender, pregnancy, parenthood, and disability are no impediment to recruitment, promotion and ongoing employment.
- 4.4. Not engage in practices relating to forced and compulsory labour at any stage of the manufacturing or service delivery process. All workers will be of the relevant legal age throughout the supply chain.
- 4.5. Ensure that all work is undertaken without coercion.
- 4.6. Ensure that employees have access to information about their rights and know where they can go for advice or help.
- 4.7. Implement, where possible, additional oversight tools and grievance mechanisms, for example, a whistleblower tool available for everyone in the supply chain (staff, contractors, subcontractors, staff from suppliers) and the public to report issues and risks anonymously.

Within their supply chain

- 4.8. Meet relevant legislative requirements around disclosure of information relating to modern slavery and worker exploitation risks in their operations and supply chain.
- 4.9. Take every effort to identify modern slavery and other human rights risks in the supply chain.
- 4.10. For those businesses, employers, contractors and suppliers in supply chains identified as higher risk, seek more data through monitoring, audits and third-party verification. For high-risk geographical sources and industries, ask suppliers to run the same checks with their own supply chains.
- 4.11. Mitigate modern slavery and worker exploitation risk by buying products and services only from businesses that can provide assurance their workers have New Zealand minimum Employment Standards, or equivalent if offshore. Prioritise buying from businesses that can show evidence they go above and beyond legal minimum requirements.



MĀTĀPONO 5: TE TAIAO ME TE HURINGA O TE ĀHUARANGI

PRINCIPLE 5: ENVIRONMENT & CLIMATE CHANGE

Auckland Transport has a crucial role to play in transitioning our region to a low emission, climate resilient future and is committed to doing so in a way that not only addresses our impact on the environment, but also protects and restores it for future generations.

To support this principle, Auckland Transport requires suppliers to commit to the following:

Within their organisation and on Auckland Transport projects and services

- 5.1. Have an environmental policy that is proportionate to the environmental risk of their business operations.
- 5.2. Provide raw environmental data to Auckland Transport upon request, including, but not limited to, on-site energy, water, waste, fuel, materials, refrigerants, numbers of trees planted/removed on a project.
- 5.3. Comply with relevant regulations, legislation and environmentally responsible business practices.
- 5.4. Maximise the efficient use of energy, water, fuel, resources and raw materials and minimise waste and pollution. Take steps to operate in a manner supportive of the 'circular economy'.
- 5.5. Support with the achievement of goals and targets in the Auckland Transport Sustainability Strategy, [Hikina Te Wero: Auckland Transport's Environment Action Plan](#) and the [Auckland Transport Sustainable Procurement Action Plan](#).
- 5.6. Partner with Auckland Transport in delivering emission reduction targets.
- 5.7. Calculate and disclose their organisation's carbon emissions and set reduction targets in line with their impact. Larger organisations should aim to calculate and disclose scope 1, 2 and 3 emissions, and reduction targets should be science-based and aligned with a Net Zero pathway. Publicly report on progress made.
- 5.8. Collaborate, where appropriate, with Auckland Transport to trial innovative design solutions, materials, technologies or construction methods to reduce Auckland Transport's operational and embodied emissions.
- 5.9. Take steps to understand and mitigate any negative impact of the business on the natural environment. Proposed actions to reduce emissions, including materials and product choices, should consider any unintended consequences on biodiversity and the environment (i.e. options that reduce emissions but increase environmental harm should be avoided).
- 5.10. Comply with the provisions in the [Auckland Transport Climate Change Policy](#), as relevant to the contract. Consider adaptation to the physical impacts of the changing climate in the planning, design and construction of Auckland Transport's new assets and renewals.

Within their supply chain

- 5.11. Prioritise buying from businesses that have environmental targets, measurement and reporting in place and are taking action to reduce their negative impact (i.e. reducing carbon emissions, waste and potable water consumption and minimising other impacts on biodiversity and the environment).



MĀTĀPONO 6: TE MANAWAROA O TE PAKIHĪ

PRINCIPLE 6: BUSINESS RESILIENCE

One of Auckland Transport's operating principles is to operate in a financially responsible manner. Auckland Transport is committed to sound governance, management and administration, including prompt payment to our suppliers, in order to minimise the risk of business disruption. We expect suppliers to operate in a financially responsible manner also.

To support this principle, Auckland Transport requires suppliers to commit to the following:

Have a business plan in place to ensure their business is viable and their workforce is sustainable for the length of the engagement with Auckland Transport and beyond.

- 6.1. Have a documented business continuity plan to minimise business disruption from unplanned events which may threaten an organisation's normal operations, as well as their associated impact on the organisation's people (employees and contractors), supply chain, facilities and IT services. This plan should be reviewed and tested on an ongoing basis.
- 6.2. Pay their suppliers promptly and advise suppliers in a timely manner if there is any reason why an invoice will not be paid. Suppliers should encourage prompt payment throughout their extended supply chains.
- 6.3. Offer subcontractors no less favourable payment terms than the ones they themselves receive from Auckland Transport.
- 6.4. Ensure appropriate controls are in place to protect Auckland Transport's brand and intellectual property against unauthorised use and damage.



MĀTĀPONO 7: TE MATATIKA O TE PAKIHI

PRINCIPLE 7: ETHICAL BUSINESS

It is important to Auckland Transport that our suppliers are ethical in their business activities, are honest and transparent and do not engage in corrupt practices or anti-competitive behaviour.

To support this principle, Auckland Transport requires suppliers to commit to the following:

- 7.1. Conduct their business with integrity, transparency, and in full compliance with all applicable laws, regulations and high standards of fair business, advertising and competition, including not engaging in any collusive bidding, price fixing, price discrimination or other unfair trade practices.
- 7.2. Not engage in or accept any form of fraud or corruption - including bribery, kickbacks, favours, facilitation payments, or any other illegal or unethical means of obtaining improper advantage or favourable treatment.
- 7.3. Not improperly use private, confidential or commercially sensitive information regarding any party in the supply chain.
- 7.4. Maintain transparent and accurate financial and business records to demonstrate compliance with relevant laws and regulations as well as generally accepted accounting practices.
- 7.5. Be open and transparent with Auckland Transport about any actual, potential or perceived conflicts of interest that may exist between employees and representatives of suppliers and Auckland Transport. Declarations should be made as soon as possible, and during any procurement process with Auckland Transport.
- 7.6. Be respectful of the ethical and code of conduct requirements that our staff need to meet, including Auckland Transport's Gifts and Hospitality Policy. Suppliers must not try to influence decision-making through the use of inducements. Suppliers should have policies or guidance in place for their own staff regarding offering gifts or hospitality.