

Z Energy Supplier Code of Conduct – Guidance and FAQs

General

What is the purpose of this Supplier Code of Conduct?

Z Energy Ltd is committed to working with suppliers to establish responsible business practices and has committed to helping New Zealand's transition to a net zero emissions economy.

The objective of Z's Supplier Code of Conduct (SCOC) is to set clear expectations of all our suppliers regarding ethical, social and environmental business practices. The Code provides a framework for meaningful and collaborative partnerships that ultimately work to enhance our communities, increase efficiency and reduce our environmental impact together.

Who does it apply to?

This Code sets the expectations for all national and international suppliers to Z Energy Ltd. "Suppliers" include parent, subsidiaries, affiliates and subcontractors providing goods or services to Z Energy Limited. All Suppliers will be responsible for communicating this Code to their subcontractors and taking steps to resolve any known instances of non-compliance.

How is the Supplier Code of Conduct implemented?

All Suppliers are requested to complete the online questionnaire to confirm that they have read and understand the Supplier Code of Conduct and will carry out works in accordance with the Code. The Code is included in all Z's Standard Supplier agreements and is available to download from our website

here: <https://www.z.co.nz/sustainability/supplier-code-of-conduct/>

Will you audit suppliers against the Supplier Code of Conduct?

Z Energy will regularly request that suppliers complete self-assessments about their compliance with this SCOC and may request documentations that demonstrates compliance. Likewise we expect to hold ourselves to the same standards set out in the Code and will provide examples and assistance to suppliers who require further information on any of the key areas. Key terms are clarified below.

How are suppliers expected to demonstrate that they are working in accordance with the Supplier Code of Conduct?

Suppliers can use a variety of evidence to demonstrate that they meet the expectations set out in this Code, including policies and practices, certifications and accreditations, web media or public reports.

What if my contract clauses differ from those laid out in this Supplier Code of Conduct?

Suppliers shall comply with any additional requirements specific to the products or services being provided to Z Energy as called for in the Supplier's specific contract documents. As an example, we may contract specific performance measures with like-minded suppliers to work on projects that aim to make a greater positive change than what we could have achieved on our own. If you're concerned that your contract terms are inconsistent with this Code, please get in touch with your Supplier Manager.

Ethical Business

Which ethical laws, regulations and standards are applicable to me?

We expect suppliers to conduct their business and affairs in accordance with all applicable laws and encourage compliance with the highest ethical standards within all countries where they conduct business (for example the UN Declaration on Human Rights or the Modern Slavery Act). Laws, regulations and standards will differ by company type and country, however we expect suppliers to meet their relevant industry standards and codes, to not mislead or deceive, to act fairly and honestly and to treat people with dignity and respect.

What is a 'Whistleblower' option?

Suppliers are encouraged to offer a Whistleblower option to staff providing a confidential means for an employee to raise a concern with an external third party, rather than within the organisation. This may be through a 'hotline' with options to raise a concern via telephone, e-mail or written letter. People who report any such concerns in good faith are assured that their reports are confidential and, as far as the law allows, the source of the report will be kept secret in accordance with the policy and the law.

Safety & Wellbeing

Which Health & Safety laws, regulations and standards are applicable to me?

Laws, regulations and standards will differ by company type and country, however we expect suppliers to conduct their business and affairs in accordance with the highest Health & Safety standards within all countries where they conduct business. Every Supplier is tasked with taking personal responsibility for making health and safety a vital part of the business.

What is a PCBU?

In NZ health & safety legislation a PCBU is a Person Conducting a Business or Undertaking, whether the person conducts a business or undertaking alone or with others, and whether or not the business or undertaking is conducted for profit or gain. A PCBU can include a sole trader (e.g. self employed person), a partnership, a company, an unincorporated association, a government department or public authority.

PCBUs have the primary responsibility for the health and safety of their workers and others influenced by their work. PCBUs must ensure, so far as is reasonably practicable, the health and safety of their workers and any other workers who are influenced or directed by the relevant PCBU. PCBUs must also look after other people who could be at risk by their business, including the public.

People & Community

Which laws, regulations and standards are applicable to me?

Laws, regulations and standards will differ by company type and country, however we expect suppliers to conduct their business and affairs in accordance with the highest employment, human rights, discrimination, harassment, equal opportunities, and global labour standards within all countries where they conduct business. International standards that are recognized by New Zealand include the Sustainable Development Goals, the United Nations Universal Declaration of Human Rights, the Convention on the Rights of the Child and the International Labour Organization (ILO) conventions.

What do you mean by diversity and inclusiveness?

We encourage our suppliers to promote and value diversity and inclusiveness by being open to new thinking and perspectives.

We define diversity as the characteristics that make one individual similar to, or different from, another. So we consider diversity encompasses gender, race, ethnicity, national origin, disability, age, sexual orientation, physical capability, political opinion, family responsibilities, marital status, education, employment status, cultural background and more.

Inclusiveness is the recognition that diverse backgrounds, experiences and perspectives will lead to a better experience of work for people, improve engagement, make teams stronger, lead to greater innovation and performance, and contribute to more meaningful relationships with customers and stakeholders.

The Rainbow Tick accreditation in New Zealand is an example of a scheme which recognizes an organization's support for diversity and inclusion within the workplace.

Environmental Sustainability

Which environmental laws, regulations and standards are applicable to me?

Laws, regulations and standards will differ by company type and country, however we expect suppliers to conduct their business and affairs in accordance with all applicable environmental laws within the countries where they conduct business, and to the highest standards for the control of hazardous materials, air emissions, pollution, waste and wastewater.

What are Scope 1, 2 & 3 emissions?

Under the Greenhouse Gas Protocol businesses are advised to report on: Scope 1 - Direct emissions from sources that are owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces or vehicles; Scope 2 - Indirect emissions from purchased electricity consumption; Scope 3 - Indirect emissions from other sources, most commonly this includes waste production and business travel, but may also include supply chain emissions from purchased good & services.

In order to calculate your carbon footprint and act to reduce it, you first need to understand what your emissions are and where they come from. Check out the Sustainable Business Network's free Climate Action Toolbox to get started on your journey: <https://sustainable.org.nz/take-action/create-a-climate-action-plan/>

How should I publicly report on progress?

There are a range of ways suppliers could demonstrate their progress against their environmental and emissions reductions targets, including publishing them on their website, in an annual report or dedicated sustainability report.

What are climate-related risks?

Climate-related risks and opportunities include both the physical and transitional impacts of climate change on business. Physical impacts include scenarios with extreme weather events (e.g. storm, flood) or from the long term shifts in regional climate patterns (e.g. drought). Transitional impacts include changes in policy, laws, technology and markets resulting from a shift towards a low carbon economy. The **TCFD** and the **Aotearoa New Zealand Climate Standards** provides an excellent framework for assessing these impacts.

Contact

Who should I contact for further information?

Get in touch with your Supplier Manager from Z Energy in the first instance. If you're not sure who that is, drop us a line at zprocurement@z.co.nz and we'll get right back to you.