



Mitigations to reduce risks

The mitigation table (to the right) provides a range of good practice risk mitigations (reducing the chance and/or effect of a potential risk) that can be applied following a risk assessment within your supply chain.

Please note:

- › There are other processes and systems that can also be used.
- › Risk mitigation should not be viewed as stand-alone process.
- › Risk mitigation should be considered together as multiple parts of an assurance system.

In addition to the guidance (to the right), you should contractually require that your suppliers immediately notify you should they come under investigation by the **Labour Inspectorate** or **Immigration New Zealand**, or have a case taken against them in the **Employment Relations Authority** or **Employment Court**.

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| Supplier declaration | A signed declaration from the supplier’s chief executive or directors that they and their supply chain(s) meet and will continue to meet employment standards. This could be included as part of other reporting cycles such as health and safety. | Lesser Risk |
| Commitment to the procurer’s supplier code of conduct | A signed commitment from the supplier’s chief executive or directors to the procurer’s ethical or supplier code of conduct, which must include an outline of employment standards. This demonstrates commitment from the top of the business. | |
| Supplier’s code of conduct | The supplier provides copies of their own code of conduct, which includes employment components and confirms that they communicate this to their staff and supply chain(s). | |
| Supplier-management systems | The supplier gives evidence of policies, processes, and procedures they have in place for making sure there is compliance with employment standards and that they have a system for identifying issues should they arise. | |
| Worker-reporting channels | The procurer or supplier provides workers in the supply chain with access to a channel for raising and reporting issues. This could be in the form of an anonymous email or phone line service. There is also an agreed process to investigate and resolve issues. | |
| Annual supplier reporting | The supplier produces at minimum an annual report on their business and their supply chain(s), which indicates the types of assurance systems they have in place, identifies any issues and what actions were taken to resolve any issues. Reporting could be required more regularly and produced in line with other reporting cycles. | |



Ethical and sustainable work practices

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Legal disclaimer:

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| <p>Internal audit or self-assessment including employee interviews or survey tool*</p> | <p>Supplier conducted internal audit to identify problem areas, areas where processes do not align with each other, opportunities for improvement and the effectiveness of their own quality management system. Frequency of the audit should be determined by level of risk.</p> |
| <p>Audit of suppliers to be undertaken by the procurer, including employee interviews or survey tool*</p> | <p>A procurer-conducted audit of any suppliers the procurer has engaged with, to ensure suppliers are meeting the requirements specified in the contract. Frequency of the audit should be determined by level of risk.</p> |
| <p>Third party assurance audit including employee interviews or survey tool*</p> | <p>An independent third-party conducted audit to assure compliance is met. The third-party audit could be part of a recognised or existing accreditation of certification scheme. Frequency of the audit should be determined by level of risk.</p> |
| <p>Multi layered supply chain transparency systems</p> | <p>Using new technology that gives real-time data and continuous feedback on compliance with employment standards. This includes the collection of data throughout the supply chain and can include information from all of the suggested mitigations above.</p> |

Greater Risk

**Good practice audits should include a sample of employee interviews or a survey to corroborate the audit findings. Employees' surveys such as an employee voice tool can be implemented using technology, which can overcome the issues with accessibility to workers such as differing hours and remote locations.*

