

## ORG-069, Version 1.1

### Business Operations

# Procurement Policy

## Global

Policy Owner: Chief Operating Officer

---

### 1. INTRODUCTION

The Foundation is committed to transparent, ethical and responsible business conduct. The Foundation aims to demonstrate how a leading approach in sustainable procurement can positively influence outcomes for the communities in which we work, our suppliers and their supply chains, our workplaces and our valued partners who support our operations and enable our programme outcomes.

Procurement is a powerful instrument to drive responsible and innovative organisational behaviour that supports achievement of the United Nations Sustainable Development Goals. The Foundation has adopted the *ISO 20400:2017 Sustainable Procurement - Guidance* ('**ISO 20400**') global procurement standard to achieve best practice. We will comply with the ISO 20400 principles to deliver the most positive environmental, social and economic outcomes, whilst minimizing any adverse impacts throughout our supply chain.

The Foundation's procurement policy supports The Foundation's goal of eliminating preventable blindness. We will deliver improved eye health outcomes by using our own procurement activities to increase capabilities internally, using our own case studies as examples for collaboration and advocacy with government partners to provide advisory and capacity building services.

### 2. SCOPE

This policy is applicable to all staff and representatives of The Foundation, its contractors, consultants, volunteers and employees who are involved in any aspect of the procurement process to source and select all goods and/or services.

The Foundation will meet its key procurement objectives by:

- minimising risk through effective governance;
- having regard to the economic, social and environmental impact of its procurement activities;
- improving value for money outcomes; and
- driving efficiency of our resources and processes.

---

#### References

### 3. PROCUREMENT PRINCIPLES

#### 3.A. Principles

The ISO 20400 principles of sustainable procurement<sup>1</sup> that underpin our procurement activities are:

- 3.A.1. **Accountability:** The Foundation is accountable for its own impacts on society, the economy and the environment. In the context of procurement, this specifically includes accountability for impacts of The Foundation's supply chains, with a "life cycle perspective" on goods or services.
- 3.A.2. **Transparency:** The Foundation is transparent in the decisions and activities that impact the environment, society and the economy. In the context of procurement, this specifically includes being transparent in its procurement decisions and activities and encouraging our suppliers to be transparent. Transparency is the basis for stakeholder dialogue and collaboration.
- 3.A.3. **Ethical behaviour:** The integrity of The Foundation's personnel when using The Foundation's funds to procure goods and services reflects our internal culture, values and ethics, our belief in The Foundation's objectives in addition to reflecting on the individuals involved in the process. The Foundation promotes ethical behaviour throughout its supply chains. The Foundation considers that its procurement process should comply with The Foundation's ethical standards.
- 3.A.4. **Full and fair opportunity:** The Foundation will avoid bias and prejudice in all procurement decision-making. All suppliers, including local suppliers, small and medium-sized organisations and suppliers owned or operated by disadvantaged populations and communities (e.g. suppliers owned by and/or employing people with disabilities or indigenous communities) will have a full and fair opportunity to compete.
- 3.A.5. **Respect for stakeholder interests:** The Foundation respects, considers and responds to the interests of stakeholders impacted by our procurement activities.
- 3.A.6. **Respect for the rule of law and international norms of behaviour:** The Foundation strives to comply with all applicable laws and international norms of behaviour throughout its supply chains, including but not limited to those concerning the avoidance of anti-competitive conduct, bribery, fraud, conflicts of interest, consumer protection, corruption, labour conditions, anti-discrimination, human rights and anti-human slavery. The Foundation strives to be aware of and remedy any violation of applicable laws and international norms of behaviour. The Foundation actively encourages our suppliers to abide by the same principles and to assess and address any compliance issues if they arise.
- 3.A.7. **Respect for human rights:** The Foundation has respect for internationally recognized human rights and undertakes a proactive approach to identifying the actual and potential adverse human rights impacts of its procurement decisions and activities, with the aim of avoiding and mitigating those impacts.
- 3.A.8. **Innovative solutions:** The Foundation seeks solutions to address our sustainability objectives and encourage innovative procurement practices to promote more sustainable outcomes throughout our entire supply chain.

---

<sup>1</sup> *Sustainable Procurement ISO 20400:2017*, 4.2 Principles of sustainable procurement, p. 7, modified

- 3.A.9. **Focus on needs:** The Foundation reviews demand, buys only what is needed and seeks more sustainable alternatives.
- 3.A.10. **Analysis of all costs:** The Foundation strives to consider the cost incurred over the life cycle, value for money achieved, and the costs and benefits for society, the environment and the economy resulting from its procurement activities.
- 3.A.11. **Continual improvement:** The Foundation works towards continually improving its sustainability practices and outcomes and encouraging organisations in its supply chains to do the same.

### 3.B. Non-compliance

The Foundation commits to absolute confidentiality and fairness in all matters raised under this policy. A person who reasonably believes that this policy has been breached and discloses that belief and the basis for it to the public, the media, a governmental authority or a donor to the Foundation (**'Whistleblower'**), will not be personally disadvantaged in their employment at The Foundation by having made a report in accordance with this policy.

Subject to law, personnel receiving reports will not disclose particulars of reported matters that would suggest the identity of the Whistleblower (for example, to senior management and directors, or external legal advisers for the purposes of investigation and advice) without obtaining the Whistleblower's prior written consent. Any such disclosure to which the Whistleblower consents in writing will be on a strictly confidential basis. All files and records created from an investigation will be retained under strict confidence and stored securely.

#### 3.B.1. Awareness and Training

It is the responsibility of The Foundation's managers to be aware of the types of non-compliance that might occur in their areas of responsibility, and to be alert for any indication of improper activity and to maintain controls to avoid such occurrences. The Foundation's managers are required to ensure that all staff under their supervision are given a copy of this policy in a language they can understand and acknowledge receipt of it. The Foundation will provide relevant training to its personnel, and where appropriate to its partners and contractors, on potential areas of risk in the procurement process. It is the responsibility of all of The Foundation's personnel to carry out their work in such a way as to prevent non-compliance in all forms occurring in their procurement activities.

### 3.C. Reporting Suspected Breaches

Personnel are required to report in writing issues of detected, attempted or suspected breaches of the procurement policy. Personnel should report their suspicions to the appointed office compliance coordinator (a list is available on FredNet).

The appointed compliance coordinator should then:

- obtain the specific details of the allegation;
- if it from an overseas office, inform the Country Manager (or if the allegation involves in the Country Manager, inform the respective Regional Associate Director);

---

#### References

- if a member of the executive management team is involved, inform the Chief Executive Officer or (if the concern is about the CEO) to the Chair of the Board; and
- send all details to [investigations@hollows.org](mailto:investigations@hollows.org)

Any suspicions or allegations of breaches of the procurement policy will be taken seriously by The Foundation. A report of detected, suspected or attempted breach may result in one or all of the following:

- investigation of the allegation and preparation of an investigation report by the relevant office compliance coordinator that is to be updated during the course of the investigation and the implementation of any resulting outcomes;
- the taking of action to ensure that the individuals involved are aware of the seriousness of the matter and dissuaded from any repetition of the activity, including where appropriate, through referral to the relevant law enforcement authorities;
- The Foundation seeking recovery of losses from those responsible for the breach; and
- reporting the matter to the Department of Foreign Affairs and Trade or the relevant government authority and to the donor whose funds are involved.

### 3.C.1. **Anonymous Allegations**

If for any reason, including that the informant wishes to remain anonymous or doesn't wish to report an incident in accordance with the procedure set out above, the informant may report the issue:

- by email to [investigations@hollows.org](mailto:investigations@hollows.org); or
- by post marked "Private & Confidential" addressed to:

Chief Operating Officer, The Fred Hollows Foundation  
2/61 Dunning Avenue ROSEBERY NSW 2018  
AUSTRALIA

The Foundation is required to know the identity of the Whistleblower if it is to provide them with protection.

Incidents reported anonymously will be considered at the discretion of the CEO. In exercising this discretion, the CEO will take into account:

- the seriousness of the issues raised;
- the credibility of the allegations and the supporting facts; and
- the likelihood of confirming the allegation from reputable sources.

**Untrue or Unproven Allegations:** If an allegation is made in good faith but it is not confirmed by an investigation, The Foundation will not take action against the informant. However, individuals should not make malicious or vexatious allegations aimed at damaging the character of any person and proven malicious allegations may result in disciplinary action for the Whistleblower.

**Personnel who suspect breaches should NOT do any of the following:**

- contact the suspected individual(s) directly in an effort to determine facts, demand explanations or restitution;
- ignore the suspected breach of the procurement policy and not report it;
- discuss the issue with anyone within The Foundation other than the people listed above; or
- discuss the issue with anyone outside of The Foundation, except as required by law.

---

#### References

### 3.D. Actions Arising from Breaches

#### 3.D.1. Disciplinary procedures

Persons who are deemed to have committed deliberate breaches of this policy will be dealt with in accordance with The Foundation’s disciplinary procedures. Proven allegations of breaches of this policy may result in immediate dismissal.

In every case, the CEO will make the final decision as to whether a breach of this policy is reported to the relevant law enforcement authorities, government body or donor.

#### 3.D.2. Changes to systems of control

The investigation may highlight where there has been a failure of supervision and / or a breakdown or absence of control. The course of action required to improve systems should be documented in the investigation report and implemented as quickly as practicable.

### 3.E. Procurement Manual

The Foundation will maintain a written procurement manual for all contracts, subcontracts, cooperative agreements, awards and sub-awards which sets out standards for all risk management activities related to combatting material risks and non-compliance.

3.E.1. The Chief Operating Officer will be responsible for working with Legal, Risk, Grants Management staff, Finance, People and Organisational Development and Procurement to develop and maintain a written global Procurement Manual (“Procurement Manual”), setting out The Foundation’s standard processes and procedures for enforcing this policy and complying with obligations as required by applicable Australian, international and relevant local law and regulations.

3.E.2. The Procurement Manual will be posted on its intranet (“FredNet”) and made available at all The Foundation’s country offices.

### CONTROL OF DOCUMENTATION

<b>Document Number</b>	ORG-069		
<b>Document Name</b>	Procurement Policy		
<b>Date Created</b>	May 2018		
<b>Author(s)</b>	Global Manager Procurement		
<b>Master document location</b>	FredNet		
<b>Policy owner(s)</b>	Chief Operating Officer		
<b>Division</b>	Business Operations		
<b>Review Body</b>	Finance & Audit Committee	Approval Body	Board
<b>Version Date</b>	January 2020	Version Number	1.1
<b>Next review date</b>	May 2021	Review Period	3 years

---

#### References