

ORG – 069 v2

Business Operations

Procurement Policy

Global

Policy Owner: Technology & Business Services Director

1. PURPOSE

The Fred Hollows Foundation (**The Foundation**) is committed to ensuring 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.

2. DEFINITIONS

Disability is an evolving concept resulting from the interaction between persons with impairments and broader attitudinal and environmental barriers that hinder their full and effective participation in society on an equal basis with others¹.

Implementing Partner – an organisation engaged by The Foundation to work with us in furthering our fundamental goals of ending avoidable blindness.

Personnel – persons who carry out work in any capacity for The Foundation including paid employees, contractors, sub-contractors, consultants, work experience students or volunteers.

Supplier – an organisation (including sole traders) engaged by The Foundation to supply goods and/or services in exchange for payment (including goods in kind) which is not a recognised Implementing Partner.

3. BACKGROUND

- 3.1 This Policy supports The Foundation's goal of ending avoidable blindness and vision impairment. We will deliver improved eye health outcomes by using effective procurement processes for internal purchase; for purchases on behalf of our Implementing Partners; and as examples for collaboration and advocacy with partners to build their capacity for effective procurement.
- 3.2 This Policy is critical to maintaining compliance with legal requirements in different countries including countering terrorism-financing, anti-money laundering and combatting modern slavery in addition to regulations governing commercial conduct. The policy also underpins compliance with specific registration, donor and grant conditions, including Accreditation by the Australian Government's Department of Foreign Affairs & Trade.
- 3.3 Procurement policy and practice are also important in achieving the sustainability goals of The Foundation because the goods and services we buy have a cost in environmental terms.
- 3.4 This Policy guides the operation of procurement and related processes of supplier and service management including due diligence, contracting, capacity building, performance monitoring, purchasing and payments as they relate to suppliers. The procurement process at The Foundation

¹ [UN Convention on the Rights of Persons with Disabilities](#)

implements this Policy and is focussed on the effective selection of products, services and suppliers using criteria including value for money, maximising delivery capability and mitigation of risks.

4. GUIDING PRINCIPLES

4.1 The guiding principles of this Policy are that:

- 4.1.1 The most important consideration in selection of goods, services and suppliers will be the support of effective programming and other work (through maximising delivery capability, mitigating risk, and controlling cost), while maintaining compliance with legal and contractual obligations.
- 4.1.2 Environmental sustainability must (if practicable) be considered in selection, and more sustainable options should always be preferred where the provisions of 4.1.1 are otherwise equal.
- 4.1.3 The Foundation will actively support efforts to promote indigenous-owned business in Australia by identifying opportunities to source through Aboriginal and Torres Strait Islander owned businesses where practicable. Indigenous-owned options should always be preferred where the provisions of 4.1.1 are otherwise equal.
- 4.1.4 The Foundation values the inclusion of people with Disability in all areas of society and as such will consider Disability inclusion, as well as businesses owned by persons with Disability, when undertaking procurement selection. The Foundation acknowledges that disability inclusive procurement is an emerging area and aspires to pursue opportunities in this area during the term of this Policy.
- 4.1.5 All evidence required to demonstrate the proper running of the procurement process must be retained in a manner that supports necessary compliance processes i.e. it must be complete, accurate and easily found.
- 4.1.6 The Foundation will aspire to the following ISO 20400 principles of sustainable procurement² in developing and executing procurement processes (acknowledging that The Foundation does not have capacity to commit to full compliance within the current policy review cycle).

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.

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.

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.

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

² *Sustainable Procurement ISO 20400:2017*, 4.2 Principles of sustainable procurement, p. 7, modified

owned by and/or employing people with disabilities or indigenous communities) will have a full and fair opportunity to compete.

Respect for stakeholder interests: The Foundation respects, considers and responds to the interests of stakeholders impacted by our procurement activities.

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.

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.

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.

Focus on needs: The Foundation reviews demand, buys only what is needed and seeks more sustainable alternatives.

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.

Continual improvement: The Foundation works towards continually improving its sustainability practices and outcomes and encouraging organisations in its supply chains to do the same.

5. COMMITMENTS UNDER THIS POLICY

5.1 The Foundation is committed to:

- 5.1.1 Select all goods and services purchased directly by The Foundation; and engage all suppliers providing goods and services, in accordance with this policy and the supporting procurement process as laid out in the procurement manual.
- 5.1.2 Promote effective procurement processes and practices both internally and by our Implementing Partners through due diligence and capacity building.
- 5.1.3 Maintain a written procurement manual and supporting documents which sets out standards for risk management activities; selection processes and evidence of procurement activities to be collected and retained.
- 5.1.4 Create a culture that supports effective procurement through sensible decision-making, good governance, repeatable process and documented evidence.

6. RESPONSIBILITIES & ACCOUNTABILITIES

6.1 Chief Executive Officer

- 6.1.1 The CEO is responsible for ensuring this Policy is upheld and will inform the Board of The Foundation of any concerns relating to procurement that may present risk to The Foundation, its Personnel, beneficiaries, partners, reputation, operations or other activities.

References

6.1.2 The CEO will hold relevant Executive Directors accountable to this Policy.

6.2 Executive Directors

6.2.1 Executive Directors will ensure Foundation and Divisional procedures, practices, plans and operations align with this Policy and that all relevant Personnel are aware of, and understand, this Policy and their responsibilities under it.

6.2.2 Divisions are encouraged to put in place procedures to implement the principles set out in this Policy; including for specific countries. However, this Policy will prevail to the extent of any ambiguity or inconsistency between this Policy and those procedures.

6.2.3 Executive Directors are responsible for monitoring and responding to any procurement risk or concerns arising within The Foundation's business activities. Executive Directors will include risks and incidents on the Divisional risk register and seek the advice of the Policy Owner on issues of contention.

6.3 Policy Owner

6.3.1 The Policy Owner will promote the existence of this Policy to all Personnel.

6.3.2 The Policy Owner is responsible to ensure the Policy complies with The Foundation's obligations and contemporary practice and will update this Policy as required.

6.3.3 The Policy Owner will be responsible for addressing any issues arising in relation to this Policy and will be or arrange a point of contact for all Personnel for any issue of contention.

6.3.4 The Policy Owner will inform the CEO of any key risk to The Foundation regarding procurement and will record risks and incidents on the organisational risk register.

6.4 Managers (Country and People Managers)

6.4.1 Managers will demonstrate a commitment to procurement and model procurement practices.

6.4.2 Managers are to communicate this Policy and all related procedures to Personnel.

6.4.3 Managers will engage with their teams in an open, honest and meaningful way to ensure they understand what is expected of them.

6.4.4 Managers will constructively participate in the resolution of procurement issues.

6.4.5 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.

6.5 All Personnel

6.5.1 All Personnel will adhere to the principles and commitments under this Policy and any related procedures and will take all reasonable care to ensure that their actions or omissions are not in breach of this Policy nor directly or indirectly encourage others to breach this Policy.

6.5.2 All Personnel are responsible for identifying and responding to any procurement based risk or concerns arising within The Foundation's business activities. Any matters of contention must be reported to the Executive Director.

6.6 All associated stakeholders

All associated stakeholders operating with or on behalf of The Foundation are responsible to understand and abide by the principles and relevant commitments under this Policy and to advise the primary contact point within The Foundation of any issues that may arise.

References

7. MONITORING

- 7.1 A report on the implementation of this Policy will be submitted to the Board no less than every three years across The Foundation’s business activities, including the countries in which we work. The Policy Owner is responsible for compiling this report and submission to the CEO.
- 7.2 This Policy will be reviewed every three years and the Policy Owner is responsible to undertake this review.
- 7.3 The Business Operations Division has oversight for all Governance and Operational Policy and will ensure the Policy is listed on the Policy Register and provide support to Policy Owner to ensure monitoring and reporting obligations are met.

CONTROL OF DOCUMENTATION

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Related Policies	ORG-028 Delegations Policy; ORG-053 Sustainability Policy; ORG-010 Speak-Up Policy; ORG-001 Financial Crime Policy; ORG-072 Human Rights, Gender Equity & Disability Inclusion Policy		

References