

ChildFund Australia - Corporate Engagement Policy

Introduction

ChildFund Australia is pleased to engage with external organisations, groups and donors to achieve objectives consistent with our mission and vision. Engagements, either financial or in-kind between ChildFund Australia and corporations or businesses have the potential to be mutually beneficial and generate resources to support programs for vulnerable children. We welcome and value such support and will work closely with appropriate companies in the private sector to optimise the support ChildFund receives.

This policy aims to guide ChildFund's decision-making and to provide corporations with a clear understanding of the types of relationships ChildFund Australia seeks, the principles and guidelines for engagement, and the parameters through which ChildFund Australia works. The policy applies to organisations supporting ChildFund's activity in Australia and work internationally.

Guiding principles

- Engagement with corporations, businesses and institutions will be consistent with ChildFund Australia's vision, mission and values
- Engagements will only be entered into with organisations that meet Suitability Criteria
- Engagements must have the potential to deliver positive outcomes in programs, advocacy, financial or other support
- Engagements must not compromise ChildFund's independence, reputation or credibility
- Engagement activities must not adversely impact on children, communities or core operations of ChildFund Australia
- Activities must be carried out in line with relevant ChildFund Australia policies, eg, Child Safeguarding Policy
- Corporate engagements should be characterised by honesty, accountability, integrity, and transparency
- ChildFund Australia will act ethically and in accordance with our mission and vision. We expect corporations to adhere to agreed principles in actions associated with the engagement.

Policy statement

ChildFund Australia actively seeks to engage with corporations and businesses in order to advance ChildFund's vision, mission and objectives. Engagement will be consistent with the principles and guidelines of this policy document. Engagement will only be entered into with corporations that meet suitability criteria (as set out below).

Suitability Criteria

ChildFund Australia will engage with organisations that:

- Demonstrate ethical business behaviour
- Are effectively governed (as per ASX principles of good governance or other appropriate industry codes)
- Are financially viable
- Demonstrate an interest in advancing the mission and aims of ChildFund's work

Preference is given to engagement with organisations that are strong on the core values of human rights, labour standards, the environment and anti-corruption.

ChildFund Australia will not engage with organisations that are directly involved in:

- Activity that demonstrates a disregard for human rights and specifically children's rights
- Activity which promotes, supports or involves any forms of forced and compulsory labour, child labour or pornography.

- Activity which negatively affects the well-being of children or their communities
- The tobacco, alcohol, weapons or armaments industries
- The supply of therapies, products or services which are known or suspected to negatively affect the health, development or well being of children or are otherwise detrimental to the interests of children, their communities or the environment in the countries where we work
- A lack of transparency about its activities in sectors/regions where contraventions of international standards frequently occur.

ChildFund Australia recognises that some organisations may have historical instances of unethical or harmful practice and have subsequently exercised best endeavours to rectify these issues. ChildFund Australia is willing to consider engagement with organisations that are genuine in identifying and actively rectifying past business practices that previously caused environmental, labour, child and human rights or corruption violations.

ChildFund will use particular care when considering engagement with organisations involved in the following industries:

- Gambling
- Extractive resources (eg, oil, gas, gemstones)

ChildFund will not work with gambling organisations that market to children or extractive resources organisations that negatively and directly affect the welfare of children.

Policy in practice

Step 1: Due diligence process

Companies that are being considered for engagement with ChildFund Australia will undergo a due diligence check. This includes companies wanting to enter into a matched giving arrangement.

The due diligence check can be conducted or commissioned through an independent agency or completed internally by ChildFund Australia staff. The check will include online searches, formal and informal reference checks (See Appendix 1). A report is to be completed according to the format set out in Appendix 2.

ChildFund Australia assesses each prospective corporation according to the suitability criteria above and takes into account - brand alignment, history of corporate social responsibility and philanthropy, reputation and any obvious violations of environmental, labour, human rights, anticorruption laws, ethical and/or business practices. Additionally, ChildFund Australia searches for any significant controversy, unfavourable media reports and/or widespread, negative public opinion.

If an assessment highlights poor corporate behaviour as identified above, ChildFund will also consider whether the corporate has identified this issue and is actively engaged in correcting the business practice. If a corporate organisation is genuinely attempting to eradicate environmental, labour, child and human rights or corruption violations then ChildFund can consider working with them.

In order for ChildFund Australia to protect its good reputation, best endeavours will be used to extend the due diligence process to include major partners, suppliers or other associated parties that have an obvious connection with the corporation. As a result of this process, ChildFund Australia may elect, for any reason, to either pursue or withdraw from a possible corporate engagement.

The report from the due diligence process will be presented to the Executive Team who will decide whether to pursue or decline the opportunity for a corporate engagement.

In complex or contentious cases the discussion will be referred to the ChildFund Australia Board. Engagements which generate income for ChildFund Australia in excess of \$500,000 in any one year or which might otherwise jeopardise ChildFund Australia's independence, require approval from the Board.

If a ChildFund Alliance member is building or has an existing relationship with a corporate partner and they request ChildFund Australia (and/or ChildFund Australia Country Office/s) to engage in this relationship, a copy of the Alliance member's corporate due diligence will be requested. The ChildFund Alliance member's due diligence paper will then be presented to the Executive Team who will decide whether to pursue or decline the opportunity for this corporate engagement.

Step 2: Dialogue and MoU

If it is decided to pursue the opportunity for a corporate engagement, then a dialogue will be held with the corporation to determine:

- Shared objectives and strategy
- The nature of engagement and accountability arrangements
- Achievable desired action
- Systems and processes to gain mutual benefit from the engagement

If an 'in principle' agreement can be reached, a memorandum of understanding (MoU) will be prepared. Each formal engagement requires a MoU or other contractual agreement that sets out the responsibilities of ChildFund Australia and the corporation. The MoU process should consider the following points and cover some or all of these as relevant to the nature, scale and perceived risks relating to the engagement. In the case of a 'matched giving' engagement with a corporation an MoU is optional.

1. The shared objective(s) of the engagement
2. The roles and responsibilities of each party to the engagement
3. Time period
4. Agreed activity. What will the engagement achieve and what activities will be undertaken
5. Financial details. How will income be dealt with, how will expenditure be dealt with, timing of payment
6. Use of logos. ChildFund Australia owns registered Marks, including the name, logo and an array of other licensed Marks. Express permission is required for use of any and all of ChildFund Australia's licensed Marks. A party that seeks to obtain permission to use these licensed Marks must execute a written licensing agreement with ChildFund Australia. Until a licensing agreement is executed, use of the Marks is strictly prohibited.
7. Intellectual property. Who will own the intellectual property created and used during the engagement.
8. Reporting requirements. What do both parties need to report on, what level and how often is reporting necessary, who within each party has this responsibility. Any additional reports and processes that are onerous and involve additional costs should be addressed at the MoU stage
9. Governance of the engagement
10. Roles and responsibilities of staff involved
11. Endorsements. ChildFund Australia will not offer specific opinions, recommendations, seals of approval, make statements or take actions that are or can be perceived or construed as endorsements related to any company's products and/or services. ChildFund Australia will not make direct, specific and/or superlative statements about a specific company's products or services or a statement that implies that ChildFund Australia has tested, used or researched such products or service and offers an opinion.
12. Cause related marketing. ChildFund Australia and its branding can, upon agreement and in adherence to due diligence checks, enter into cause related marketing initiatives. These initiatives should be:
 - Non exclusive
 - Time limited and
 - Aligned to ChildFund values, mission and organisational planned activities.

Great care must be exercised where the product or service concerned is directly or solely relevant to children, i.e. learning aids, toys, children's clothing and other children's products and services

13. Integrity. Our capacity to speak out with authority and fairness on issues of poverty, distress, suffering and injustice must not be compromised by acceptance of funds or other associations with companies

14. Donor databases. Only ChildFund Australia and its officers will have direct access to ChildFund Australia's databases. In exceptional circumstances, ChildFund Australia may facilitate contact with supporters on behalf of a third party where this is clearly of benefit to achieving ChildFund's goals and objectives, and is permitted by relevant privacy laws and agreements with supporters

15. Contacts. Agreement on which party owns the donor contacts, including any donor contacts that are created or generated by the engagement

16. Acknowledgements and advertising. ChildFund Australia publicly acknowledges thanks and recognises its corporate associates, and seeks to inform ChildFund supporters about the company's assistance. However, ChildFund will not present in such a way that it appears to be a marketing or advertising entity on behalf of the corporate sponsor.

17. Agreement to comply with ChildFund Australia policies relevant to the engagement eg Child Safeguarding Policy

18. Transparency, reporting and monitoring. Agreement about the frequency and format of reports. Except as required by law, ChildFund Australia will not publish the financial details of engagements or other relationships without the prior permission of the associate.

Step 3: Implementation

Following agreement and signing of the MoU the engagement is ready to proceed to implementation. A detailed implementation plan may be formulated with the new corporate associate if necessary.

Authorisation to sign corporate engagement MoUs is as per the ChildFund Australia Delegations Schedule.

Unless otherwise agreed by both parties, the corporate engagement shall not be announced and/or "launched" either internally or externally before receipt of a mutually signed contract and payment of advance funding, if any, by the corporation to ChildFund.

NB: Preference for unrestricted funds; control over funds

To maximise ChildFund's ability to direct funds to areas of greatest need, ChildFund prefers funding arrangements that provide unrestricted funds. While a corporate associate may financially "champion" or use its marketing resources to raise awareness for a particular project, issue and/or effort, ChildFund prefers, whenever possible, to record the funding as unrestricted so that it may direct funds upon its discretion to achieve its mission.

For tax and accounting reasons, ChildFund Australia includes language in its contracts with corporate associates that ensures ChildFund Australia maintains control of all funds received. Funds are distributed to areas of greatest need, determined by ChildFund's executive team. ChildFund Australia is dedicated to protecting its good name, and to providing full transparency and accountability in its fundraising and cause marketing endeavours as advocated by global standards.

If funds from a corporate relationship are restricted to the funding of a specific activity, ChildFund will aim to ensure that 30% of the funds are unrestricted to enable facilitation of the corporate arrangement, marketing, management, feedback, monitoring and administration of the program activities that will be undertaken as part of the overall relationship.

NB: Trusts and Foundations

The Corporate Engagement Policy does not cover private trusts and foundations either in Australia or overseas, however, it is expected that a limited online search be undertaken. If any issue of concern is found that could potentially harm ChildFund Australia's reputation, it is recommended that a due diligence report be undertaken on the trust or foundation and sent to the Executive Team for decision.

Appendix 1

Corporate Engagement: Due Diligence Assessment

When considering an engagement with a corporation or business, ChildFund Australia assesses the suitability of the corporation using online sources, formal and informal reference checks, and other relevant sources of information.

The Due Diligence Assessment should focus on the company with whom the engagement is being considered. However the assessment should also be undertaken for subsidiary companies, major suppliers and major commercial partners particularly if there is any suggestion of concern with a related company.

Online Search

This process includes, but is not limited to, an online search of the following sites. In the course of conducting these searches, other sites or information sources may be identified and should be investigated.

- Company website
- Company's last three annual reports
- LexisNexis ® or WestlawNext
- The Business & Human Rights Resource Centre www.business-humanrights.org
- Google
- Amnesty International's Business and Economic Relations Network
www.amnesty.org.uk www.protectthehuman.com
- Australian Securities and Investments Commission (ASIC)
- Australian Securities Exchange (ASX)

(NB Fees may need to be paid for searches if further information is required)

Formal and informal reference checks

Information should be sought confidentially from those who may have knowledge of the company and its operations, for example:

- Organisations or individuals known to ChildFund who work in the same industry
- Organisations or individuals known to ChildFund who may have had interaction with the company concerned
- ChildFund Board Directors, staff or ChildFund Alliance members who may have first-hand experience of the company
- Other NGOs who have, or previously had, an engagement with the company (eg, as listed in the company's annual report)
- Staff or contacts in countries where the company is known to have an active presence.

Search outcomes

A report is to be prepared using the format in Appendix 2 and covering:

- Company contact details
- Directors and their other Directorships
- Main activities of the company
- Regions and countries of operation
- Record of corporate social responsibility and philanthropy
- Alignment with ChildFund Australia's Corporate Engagement Suitability Criteria
- Major partners, subsidiaries and suppliers
- Other relevant information
- Overall assessment of suitability for corporate engagement

Other ethical concerns that may be assessed if considered relevant

- Advertising complaints
- Critical media reports
- Alcohol industry involvement
- Animal testing
- Chemical safety and sustainability
- Directors' pay
- Disclosure
- Financial institutions
- Gambling
- Genetic engineering
- Greenhouse gas emissions
- Agricultural practices
- Infant milk formula
- Military production or sales
- Extractive industries, eg mining and quarrying
- Forestry
- Nuclear power
- Political donations
- Allegations, fines, convictions (eg, pollution convictions)
- Child pornography
- Adult pornography and adult entertainment services
- Supply chain issues
- Tobacco industry involvement
- Claims that companies have broken international principles on human rights, labour standards, the environment, health & safety, bribery

Additional investigation

In exceptional circumstances, where additional information is thought to be necessary and is not readily available through usual information sources, or where it is considered more time effective – a third party organisation may be commissioned to undertake an in-depth due diligence assessment on ChildFund Australia's behalf.

Appendix 2 Corporate Engagement Due Diligence Assessment Report Form

CORPORATE DUE DILIGENCE REPORT

Step 1: ASIC REPORT – SEND TO OPERATIONS

Step 2: LexisNexis REPORT – SEND TO OPERATIONS

Step 3: INVESTIGATIVE DUE DILIGENCE REPORT – SEND TO JOURNALIST/ASSESSOR

Investigative Due Diligence Report undertaken by:

Date completed:

1.

Legal name of Company:

Business name of Company:

ABN:

Address:

Telephone number:

Website:

2.

a. Corporate Headquarters contact information: As above.

b. ChildFund Australia's contacts within the company:

3.

Type of company (public, private, legal, entity etc):

Checks confirmed with:

A) Australian Securities and Investments Commission (ASIC) outcome:

DATE COMPLETED:

B) LexisNexis ® outcome:

DATE COMPLETED:

Appendix 2 Corporate Engagement Due Diligence Assessment Report Form

<p>4.</p> <p>Main activities (e.g. food & beverage, automotive, information technology, petrol chemical etc)</p>
<p>5.</p> <p>Regions and countries where the company does business:</p>
<p>6.</p> <p>Corporate social responsibility (CSR) & philanthropy History of CSR & philanthropy in action. List CSR products</p> <p>Environment</p> <p>Donations</p>
<p>7.</p> <p>Suitability criteria checklist</p> <p>a. Does the company demonstrate ethical business behaviour?</p> <p>b. Is the company effectively governed?</p> <p>c. Is the company financially viable?</p> <p>d. Does the company demonstrate an interest in advancing the mission and aims of ChildFund's work?</p>
<p>e. Is there any record or suggestion of the following:</p> <p>Activity that demonstrates a disregard for human rights and specifically children's rights</p>

Appendix 2 Corporate Engagement Due Diligence Assessment Report Form

Activity which promotes, supports or involves any forms of forced and compulsory labour, child labour or child pornography

Activity which negatively affects the well-being of children or their communities

The tobacco, alcohol, weapons or armaments industries

The supply of therapies, products or services which are known or suspected to negatively affect the health, development or wellbeing of children or are otherwise detrimental to the interests of children, their communities or the environment in the countries where we work

A lack of transparency about its activities in sectors/regions where contraventions of international standards frequently occur.

8.

Is the organisation involved in the following industries:

Military/Defence

Gambling

Extractive resources (eg, oil, gas, gemstones)

9.

List, if applicable, parent Company, major partners, major subsidiaries, major suppliers:

10.

Media coverage:

11.

Overall assessment of engagement suitability

12.

ET Decision Date