



Ethical and Sustainable Procurement Policy

International Justice Mission Australia

IJM is an organisation which has as its mission the protection of people in poverty throughout the world, including protection from the violence of slavery, trafficking, exploitation and abuse.

IJM acknowledges that the current reality is that in the communities where we work, people who are poor face the daily threat of violence. Meanwhile, criminals expect no consequences, because justice systems do not effectively enforce laws.

IJM seeks to bring about change by strengthening justice systems to enforce the law, which deters criminals and protects people from violence.

IJM recognises that to bring about change, Australian corporations and other organisations, including IJM Australia, have an important role in protecting people from modern slavery in regions with developing justice systems and poorly regulated markets. For these protections to be successfully realised requires an innovative offensive, rather than defensive, approach.

Note: this policy has been prepared taking into account the current and planned operations of IJM Australia as these exist at March 2022, including the nature of the goods and services which IJM currently procures and anticipates that it will need to procure based on its current planning over short to medium time horizons.

1. Purpose

- 1.1. IJM Australia is committed to the Ethical and Sustainable Procurement of Goods and Services. Ethical and Sustainable Procurement is consistent with IJM Australia's mission of protecting people in poverty throughout the world, including protection from the violence of slavery, trafficking, exploitation and abuse.
- 1.2. IJM Australia acknowledges that Ethical and Sustainable Procurement is a powerful way in which organisations can:
 - 1.2.1. contribute to ending modern slavery (including forced labour, enslavement and exploitation within supply chains);
 - 1.2.2. contribute to sustainable development;
 - 1.2.3. seek to reduce corruption, fraud, and nepotism;
 - 1.2.4. mitigate the risks of unsafe workplaces; and
 - 1.2.5. secure best value for money and ensure that its resources are used efficiently.

2. Application

This policy applies to all individuals or entities who are responsible for Procuring any Goods or Services for or on behalf of IJM Australia (a “**Purchaser**”).

3. Definitions

Certain capitalised words in this policy have defined meanings. Capitalised words which are not defined where they appear have the meaning given to them in clause 12.

4. Obligations of Purchasers

4.1. All Purchasers must:

4.1.1. comply with the General Procurement Principles in clause 5 of this policy

4.1.2. conduct Proportionate Due Diligence (as defined in clause 11 of this policy), or procure that Proportionate Due Diligence is conducted, on Suppliers prior to Procuring any Goods or Services to identify with reasonable certainty:

- (a) that the Goods or Services are Sustainable and Ethical (including with respect to their Supply Chain); and
- (b) that the Supplier is not a High Risk Supplier.

4.1.3. use their best endeavours to ensure that:

- (a) Goods or Services which are Procured by IJM Australia are Sustainable and Ethical (including with respect to their Supply Chain); and
- (b) Suppliers from which Goods or Services are Procured by IJM Australia are not High Risk Suppliers.

4.2. Notwithstanding anything to the contrary in this policy, Purchasers are prohibited from Procuring any Good or Service from a Supplier that the Purchaser knows or should reasonably expect is engaged in a Prohibited Practice.

4.3. If a Purchaser is unable to comply with clause 4.1 or is unsure how to apply the General Procurement Principles or conduct Proportionate Due Diligence then they must seek further instructions from IJM Australia’s Chief Operating Officer (the “**COO**”) as to how to proceed.

4.4. The COO may prepare guidelines which accompany this policy, including with respect to what constitutes Proportional Due Diligence.

5. General Procurement Principles

5.1. Purchasers should use their best endeavours to ensure that Goods and Services are procured in accordance with general principles set out below:

5.1.1. Prioritisation should be given to Goods that are “mission driven” (see <https://fairworldproject.org/choose-fair/mission-driven-brands/>)

5.1.2. Prioritisation should be given to goods that are have been certified by a certification program that has been the favourably reviewed by Fair World Project in their International Guide to Fair Trade Labels (<https://fairworldproject.org/choose-fair/certifier-analysis/international-guide/>).

- 5.1.3. Consideration should be given to prioritising products which are manufactured from raw materials sourced in Australia and services supplied wholly from within Australia. While the fact that a Good or Service is manufactured/transported/supplied wholly from within Australia does not ensure that the Good or Service is Sustainable or Ethical, it may be easier to conduct due diligence with respect to the Good or Service.
- 5.1.4. Prioritisation should be given to Suppliers who have published modern slavery statements or who have an ethical procurement policy in place.

6. Proportionate Due Diligence

- 6.1. Due diligence is the process by which organisations proactively identify, assess, prevent, mitigate and account for risks.
- 6.2. This policy requires that Purchasers undertake due diligence which is proportionate to the level of Ethical and Sustainability risk posed by the Procurement of Goods and Services (“**Proportionate Due Diligence**”).
- 6.3. In the context of this policy, due diligence may include:
 - 6.3.1. the identification of:
 - (a) where the raw materials, goods or services comprising the Good or Service to be Procured come from;
 - (b) where labour is sourced from; and
 - (c) how, and by whom, goods are transported,
 and an evaluation of whether those locations, methods or persons present a risk that the Goods or Services to be Procured are the product of modern slavery, environmental destruction or other processes that are not Ethical or Sustainable;
 - 6.3.2. the consideration of whether a Supplier has:
 - (a) published a modern slavery statement and, if so, the contents of that statement and, if so, whether IJM either in Australia or globally has analysed or commented in respect of that statement; and
 - (b) an ethical/sustainable procurement policy and, if so, whether the contents of that policy is consistent with this policy.
- 6.4. Generally speaking, Purchasers should conduct a higher degree of due diligence in relation to Goods or Services that are:
 - 6.4.1. manufactured, delivered or provided from outside Australia;
 - 6.4.2. the product of High Risk Industries; or
 - 6.4.3. to be the subject of long term or high value Procurement by IJM Australia.
- 6.5. It may be appropriate to conduct a lower degree of Due Diligence in circumstances where the Good or Service being Procured is:
 - 6.5.1. manufactured, delivered or provided from Australia only;
 - 6.5.2. supplied by an Approved Supplier;

6.5.3. supplied by a Supplier who has been the subject of Due Diligence by IJM Australia in the last 12 months; or

6.5.4. a singular or small value Procurements (i.e. a cake for a function).

7. Complaints

If any person, including any person who is not a Purchaser, becomes aware of an actual, suspected or threatened breach of this policy, then that person must immediately notify the COO.

8. Transitional

8.1. It is acknowledged that as at the date of this policy taking effect, there are existing Suppliers of Goods and Services to IJM Australia.

8.2. Purchasers may continue to procure Goods and Services from those Suppliers to the extent that Proportional Due Diligence has been undertaken on those Suppliers within the last 12 months and Procurement from those Suppliers is in conformity with this policy.

8.3. Notwithstanding this policy, a Purchaser may continue to procure Goods and Services from any other existing Supplier for a period of 3 months after the date on which this policy takes effect. During that 3 month period, the relevant Purchaser shall undertake Proportional Due Diligence on that Supplier and if the Purchaser is satisfied that procurement of Goods and Services from that Supplier is in conformity with this policy then the Purchaser may continue to procure Goods and Services from that Supplier. If the Purchaser is not so satisfied with respect to any particular Supplier, then Procurement from that Supplier shall cease.

9. Definitions

“Child Labour” means any work that deprives children of their childhood, their potential and dignity, and that is harmful to physical and mental development. It is defined by the ILO Minimum Age Convention, 1973 (No. 138), and the Worst Forms of Child Labour Convention, 1999 (No. 182), and by the United Nations Convention on the Rights of the Child

“COO” has the meaning given to it in 4.3.

“Bonded Labour” means labour where the victim’s services are pledged as security for a debt and the debt is manifestly excessive or the victim’s services are not applied to liquidate the debt, or the length and nature of the services are not limited and defined.

“Ethical” means behaviour that is in accordance with accepted principles of right or good conduct of a particular situation and is consistent with international norms of behaviour.

“Forced Labour” means labour undertaken in situations where the victim is either not free to stop working or not free to leave their place of work, including where the work or service that is exacted from a person is done so under the menace of penalty and for which that person has not offered themselves voluntarily.

“Goods and Services” means any tangible or intangible product, action or activity.

“High Risk Country” includes:

- (a) India;
- (b) China;
- (c) Pakistan;
- (d) Bangladesh
- (e) Uzbekistan;
- (a) Cambodia; and
- (f) any other country designated by the Board from time to time.

“**High Risk Industry**” includes:

- (b) industrial cleaning;
- (c) meat works;
- (d) hospitality;
- (e) construction;
- (f) manufacturing;
- (g) agriculture;
- (h) fishing; and
- (i) any other industry designated by the Board from time to time.

“**High Risk Supplier**” means individuals or organisations that:

- (a) operate in High Risk Industries;
- (b) are located in High Risk Countries; or
- (c) are listed on the World Bank Listing of Ineligible Firms and Individuals (<https://www.worldbank.org/en/projects-operations/procurement/debarred-firms>).

“**Human Trafficking**” means the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation (including exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs).

“**Modern Slavery**” means a system of dishonouring and degrading people through the violent coercion of their labour activity in conditions that dehumanise them and includes:

- (a) Child Labour;
- (b) Forced Labour;
- (c) Human Trafficking; and
- (d) Bonded Labour.

“**Procurement**” means the activity of acquiring Goods or Services from Suppliers and a Good or Service is Procured when it is acquired for the purpose of advancing or fulfilling any of the organisation’s essential and incidental objectives.

“Prohibited Practices” means:

- (a) any form of Modern Slavery;
- (b) fraud, bribery or corruption; or
- (c) criminal activity.

“Supplier” means an organisation that provides Goods or Services.

“Supply Chain” means Goods and Services (including labour) that contribute to another entity’s own Goods and Services, including Goods and Services used by indirect Suppliers to that Supplier.

“Sustainable” means any reasonable course of action is compatible and in favour of the protection of the environment, of social progress and in support of economic development, namely by seeking resource efficiency, improving the quality of goods and services and ultimately optimising costs.

10. Policy history and review

Version	Date
1	10 May 2018
2	[31 March 2022]