

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 protection 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

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- Demonstrate an interest in advancing the mission and aims of ChildFund's work

Preference is given to engagements 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 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 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 will use particular care when considering engagement with organisations involved in the following industries:

- Military/Defence
- Gambling
- Extractive resources (eg, oil, gas, gemstones)

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 will usually be conducted by ChildFund Australia staff and 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.

In exceptional circumstances, additional investigations may be conducted or commissioned through an independent agency.

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, labor, human rights, anti-corruption laws, ethical and/or business practices. Additionally, ChildFund Australia searches for any significant controversy, unfavourable media reports and/or widespread, negative public opinion.

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 senior management (the Business Support Leadership Team) who will decide whether to pursue or decline the opportunity for a corporate engagement.

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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 \$200,000 in any one year or which might otherwise jeopardise ChildFund Australia's independence, require approval from the Board.

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 an 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:

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- Non exclusive
- Time limited and
- Aligned to ChildFund values, missions 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. A 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 Protection 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 partnership 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 Marks, and to providing full transparency and accountability in its fundraising and cause marketing endeavours as advocated by global standards.