

## **Mahboba's Promise Ethical and Social Procurement Policy**

### **1. Why this Matters**

Mahboba's Promise Incorporated (MPI) is committed to working with Afghanistan communities to ensure a sustainable and secure environment for rights holders in Afghanistan. This policy ensures that how we work and who we work with is as committed to the environment and ethics as MPI.

### **2. Purpose**

This policy ensures MPI human rights, social protection and environmental sustainability values and ethics underpin how we procure products and services and manage our suppliers and service providers. This policy also ensures MPI is compliant with Australian laws and standards and applicable international norms and rules.

### **3. Scope**

This Policy is applicable to all MPI employees and volunteers who engage with the process of product and service procurement or with suppliers of services. The Policy also extends to MPI partners and associated implementing organisations.

### **4. Statement of Responsibility**

MPI requires contracted service providers to uphold the ethical and social protection standards of our Policies. This policy specifically requires service providers to behave within the laws and standards to ensure workplace safety and employment law and environmental sustainability and protection. Laws and standards relate primarily from the NSW Government Office of Financial Management (Policies), Ethical Trading Initiative ('ETI') and International Labour Organisation ('ILO') Conventions. These requirements represent minimum standards based on the principles of the United Nations Universal Declaration of Human Rights.

## 5. Principles

MPI is committed to abiding by the following principles:

- Prioritising suppliers who have embedded sustainable and ethical practices within their organisation and who drive such practices within their own supply chain.
- Setting objects and action plans in support of this policy and pursuing continuous improvement of our practices.
- Identifying areas of higher risk and influence within our supply chain and engaging with suppliers in those areas.
- Complying with the letter and spirit of all applicable legislation.

Through supplier selection and direct engagement, we will favour suppliers that actively:

- Comply with the letter and spirit of all applicable legislation.
- Reduce their environmental footprint understanding their carbon emissions and environmental waste harm and setting annual targets to reduce or mitigate such harm.
- Deliver benefits and drive economic benefits for society by:
  - Complying with International Labour Organization (ILO) principles in respect to human rights and conditions of employment.
  - Ensuring that slavery and human trafficking is not taking place in any of their supply chains and in part of their business areas.

This Policy will be provided as an annex to each supplier agreement and available online. Environmental sustainability is attracting long overdue global attention that is resulting in rapid innovations. As such, MPI is committed to reviewing and updating this policy annually and will share any updates with service providers and partners to continue collective environmental sustainability partnerships, innovation and progress. This will also ensure MPI and our suppliers are always notified of legislative or compliance standards.

## 6. Approach

## 6.1 Procurement guidelines

All suppliers must be treated fairly, without prejudice or bias at all stages of the procurement process. This means being open with all those involved so that all stakeholders, particularly suppliers, understand the process, procedures, timelines and expectations. All suppliers must respect the confidentiality of the process but equally know that MPI is committed to maintaining their own confidential information during the process.

The supplier engagement process includes a detailed statement of selection criteria and advanced notice of any specific contract obligations, including this policy standard. Unsuccessful suppliers will be given the opportunity to receive feedback with as much transparency that can be provided, without compromising the confidentiality of other applicants.

Any member of the selection process who believes they have a conflict of interest or could be perceived to have one, must notify MPI by submitting a conflict of interest report.

Any person who is aware or suspects corrupt, fraudulent or conflict of interest that may compromise the integrity of the process must report their concern to a senior manager or through the Whistle-Blowers Policy. Bribery is a criminal offence in most countries and the law is being strengthened to include offshore bribery.

## 6.2 Procurement considerations

MP's ethical and social procurement compliance criteria are set out in Table 1.

**Table-1 Ethical and social procurement criteria**

Criteria	Description
<b>Law</b>	Suppliers must always work within the laws of their own country.
<b>Corruption</b>	Suppliers shall not engage in acts of bribery and corruption and shall not falsify documents and records.

Criteria	Description
<b>Conflict of Interest</b>	
<b>Treatment of Employees</b>	Under no circumstances should suppliers of services and/or products abuse or intimidate employees, in any fashion. Suppliers should have a grievance/appeal procedure that is clear and understandable and this is to be given to the employee in writing.
<b>Discrimination</b>	MP has zero tolerance for discrimination. Suppliers should have a policy of equality for their employees involved in the manufacture of goods or services with no discrimination on the basis of race, caste, religion, nationality, age, gender, marital status, sexual orientation, disability, union membership or political affiliation or cultural differences.
<b>Labour Rights</b>	Employment for suppliers is freely chosen. Workers are not required to lodge deposits or their identity papers with their employer and are free to leave their employer after reasonable notice.
<b>Freedom of Association and Right to Collective Bargaining</b>	<p>Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.</p> <p>Where the right to freedom of association and collective bargaining is restricted under Law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.</p>

Criteria	Description
<b>Working Conditions</b>	<p>Suppliers should provide a safe and hygienic working environment. Adequate steps shall be taken to prevent accidents and injury to health in the working environment.</p> <p>Access to clean toilet facilities and to clean and drinkable water and, if appropriate, sanitary facilities for food storage shall be provided.</p> <p>Accommodation, where provided, shall be clean, safe and meet the basic needs of the workers.</p> <p>Suppliers will ensure that personal protective equipment is available and workers are trained in its use. Safeguards on machinery must meet or exceed local laws.</p> <p>Suppliers shall assign responsibility for health and safety to a senior management representative.</p>
<b>Child Labour</b>	<p>MPI supports ILO Convention 138 with regard to the appropriate age of worker and will not work with suppliers who use child labour.</p>
<b>Living Wages</b>	<p>Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.</p> <p>Deductions from wages as a disciplinary measure or any deductions from wages not provided for by Law shall not occur without the expressed permission of the worker concerned.</p>

Criteria	Description
<b>Working Hours</b>	<p>Working hours comply with any law and benchmark industry standards, whichever affords greater protection.</p> <p>In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7-day period on average.</p> <p>Overtime shall be voluntary, shall not be excessive, shall not be demanded on a regular basis and shall always be compensated at a premium rate.</p>
<b>Environmental protection</b>	<p>Suppliers shall comply with national and local environmental laws and regulations.</p> <p>Suppliers shall dispose of its production waste in accordance with local environmental laws and regulations.</p> <p>Suppliers must have identified and documented its key environmental impacts and implemented controls to minimise its impact on the environment with respect to solid waste disposal, hazardous chemicals storage and management, air, and water emissions.</p>

## 7. Policy Implementation, Compliance and Review

MPI expects its suppliers to comply with all aspects of this Policy and will be extending its coverage of audited facilities and compliance monitoring processes to include these standards.

MPI is committed to working in partnership with its suppliers to help achieve compliance with this Policy. In the event where any supplier is unwilling or unable to demonstrate continuous improvement towards full compliance with our standards, the trading agreement between MPI and the supplier may be terminated.

MPI will ensure the implementation and review of this Policy by:

- Signatory parties (suppliers) will be asked to confirm their review of this policy (or their equivalent) at least every two years.

- MPI will review the policy annually.
- The Risk Management Framework will ensure legal compliance and risk is assessed, monitored and accountable and reported to the Board of Directors at least annually.
- All MPI staff and suppliers will sign a copy of this policy confirming their understanding and commitment to uphold the behaviours required, which will be held on their personal file or agreement documentation.

Document Control	
<b>Risk Level:</b>	High (two years)
<b>Approval Date:</b>	Operationally Approved 09/05/2023
<b>Next Review Date:</b>	09/05/2025
<b>Responsible Position:</b>	Operations Manager