

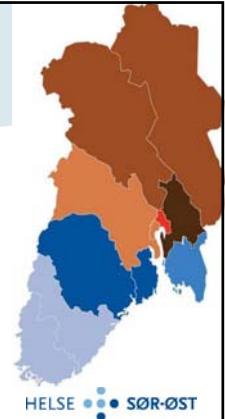


Low price, but not at any cost...

Grete Solli,
Senior Adviser Social Responsibility,
South Eastern Norwegian regional health authority

South Eastern Norwegian regional health authority, Helse Sør-Øst

- Responsible for the specialist healthcare for approximately 2,7 mill. people
- 11 hospital areas with 1-5 hospitals each
- 65.000 employees
- Revenue: 52 billion nok
- Purchasing for 15 billion nok



Etisk handel - Ethical trade

What is it?



Social responsibility

“Public enterprises should go in front and be responsible consumers demanding environmentally friendly products that are manufactured to high ethical and social standards.”



Some definitions

• Social responsibility

The organisations ability and wish for going an extra step to address those concerns that the public/community might have (beyond the law)

• Ethical trade/purchase

The intentional purchase of products and services that the customer considers to be made ethically.

This may mean with minimal harm to or exploitation of humans, animals and/or the natural environment



Key policy documents

- Action plan 2007 – 2010: Environmental and social responsibility in public procurement
- White paper on “Enterprises’ social responsibility in a global economy,” February 2009
- White paper on public procurement: “Good procurement”, May 2009



Ethical purchase (def.)

Improvements in the working conditions and in the environment in the countries where the goods are produced

Media spotlight on public procurement



Norwegian Television NRK Lørdagsrevyen

- 5.september 09: <http://www1.nrk.no/nett-tv/nyheter/spill/verdi/17407>
- **Medical equipment can be made by children**



- The organisation Swedwatch made public a rapport and a video two years ago that showed us that hospital textiles and scissors were produced in Pakistan under very bad conditions.
- European doctor-association demands action



Norwegian clothing company: Stormberg

<http://blogg.stormberg.no/post/Barnearbeid>

Stop the child labour, but not put the children on the street!



What ethical criteria?

- UN Children convention, article 32
- ILO core conventions
 - No 29 og 105 on forced / bounded labor
 - No 87 on freedom of association
 - No 98 on collective bargaining
 - No 100 Og 111 on discrimination
 - No 138 og 182 on child labour
- National labour law in the producer country



Core labour conventions of ILO

- **Child labour**
- **Forced labour**
- **Equality of opportunity and treatment**
- **Freedom of association**



Why setting ethical criteria in tenders?

- Global and local responsibility
 - The public sector is Norway's largest customer and consumer, and it therefore has great influence, and therein is great responsibility
 - Goods being procured through public budgets being produced in a legal and ethically responsible manner
- Setting ethical criteria will strengthen the principle of equality and non-discrimination
- Goodwill and confidence



Guide: Ethical criteria in public sector procurement

- ETI – Norway have been commissioned by The Ministry of Children and Equality to produce this guide
- Part of a governmental funded project: 2007-2009
- Content: Ethical procurement in practise
 - Action plan for ethical trade
 - Which ethical criteria to be set
 - In what phase of the procurement process
 - Follow up methodes
 - Available in English (November 2009)
- More and more public bodies are setting ethical criteria in tenders
- ... lead to positive reactions in supplier markets



What do Helse Sør-Øst do?

1. Address the problem
2. Make ethical guidelines for the whole organisation to follow
3. Set ethical demands at the regional procurements and at risk-products
4. Joined the IEH, use the guide
5. Controll contractors and subcontractors
6. Make our people capable to follow up the contracts

Contractors-chains

- Minimum: Where the item is produced
- Next level
- Next level...



Within an extended global supply chain there is a risk that some suppliers or subcontractors might not meet acceptable standards. This risk is greater in some developing countries with weak regulations or enforcement procedures.

Follow up methods (in process)

- Self assessment questionnaire
- Structured follow up dialoge with suppliers
- Assessment / control + Corrective Action Plan
- (Certified producers, SA8000)
- **Focus on improvements!**



ETI-Norway: A multi stakeholder initiative

- Founded in 2000 by HSH, NCA, LO and Coop Norway
- Membership based organisation for private businesses, organisations and public bodies
- Financed by membership fee and project funding
- Resource center for implementing codes of conduct that result in improvements in labour and environmental standards in the supply chain
- Strategic objectives:
 - Strengthen the awareness of ethical trade
 - Strengthen ETI-N members' work with ethical trade
- Membership advantages: Access to resources, tools, courses, consultancy, etc.



What now?

- Will public customers, on a broad base, demand not only "good prices" but also "good ethics"?



Hva med kumlokk? One example: manhole covers

- http://www.nytimes.com/interactive/2007/11/21/nyregion/20071126_MANHOLE_FEATURE.html#



Thank you for your attention

grete.solli@helse-sorost.no

