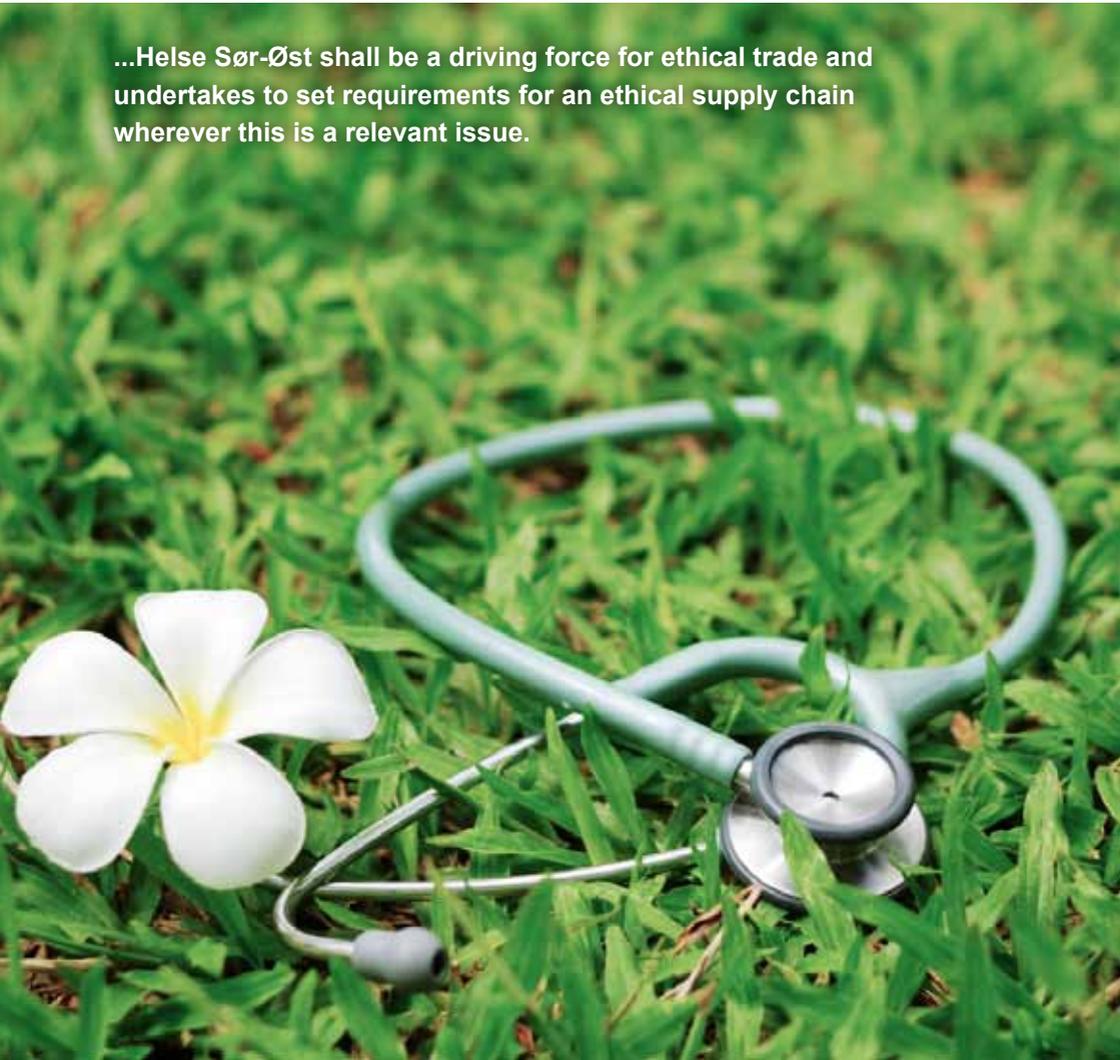


Ethical trade Helse Sør-Øst

...Helse Sør-Øst shall be a driving force for ethical trade and undertakes to set requirements for an ethical supply chain wherever this is a relevant issue.





"Helse Sør-Øst" is the South-Eastern Norway Regional Health Authority and will be called by its Norwegian name in this document. Sykehuspartner is a part of Helse Sør-Øst and are doing procurement services for all the hospitals in the region.

Ethical trade in Helse Sør-Øst and Sykehuspartner

Helse Sør-Øst shall be a driving force for both environmental requirements and ethical trade. This is made evident in the ethical guidelines for purchasing and supplier contact that were adopted by the board 10.12.09 and implemented in the group in spring 2010. Helse Sør-Øst spends more than 20 billion kroner a year and wishes to use this buying power to press for good requirements for the environment and for ethical supply chains in public procurement.

The supply chain can often be complex, especially when production takes place in poor countries, and it is difficult to remove the risk of breaches of human rights or global environmental considerations. Helse Sør-Øst shall be a driving force for an ethical supply chain. This shall be done with the aid of risk analyses of products and production countries in major procurements and by setting requirements for suppliers where there is a risk of breach. During the contract period, Helse Sør-Øst shall follow up with the supplier to ensure that requirements are being met.

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(Regulation) Act.1986
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District Magistrate
(North Goa)

Gunakan Alat-Alat Keselamatan Yang Sesuai
Wear Suitable Protective Equipment

			
Gunakan penutup rambut Use hairnets	Gunakan sarung tangan Wear gloves	Gunakan pelindung telinga Wear ear protection	Gunakan pelindung pernafasan Wear mask

Ethical guidelines for purchase and supplier contact at Helse Sør-Øst

Point 8 – Ethical trade

“Helse Sør-Øst shall be a driving force for ethical trade and undertakes to set requirements for an ethical supply chain wherever this is a relevant issue. As a member of the organisation ETI Norway (Ethical Trade Initiative), Helse Sør-Øst is committed to following the ETIs Code of Conduct and to work for an improvement of labour and human rights and the environment in the production of goods and services for Helse Sør-Øst. In all regional procurements and other joint procurements, ethical requirements shall be set if a risk assessment of the product and supply chain so indicates. Helse Sør-Øst will establish its own system for following up on suppliers.”

What is ethical trade?

Ethical trade is promoting responsible labour and environmental conditions in global supply chains. Extreme overtime, hazardous surroundings in the workplace and pay that barely covers living expenses and food is the reality of daily life for millions of workers in global trade and production. Serious forms of child labour, forced labour and activities that cause serious environmental damage exist too.

Working together to make improvements

Ethical trade is primarily the voluntary efforts of companies to

help ensure that the goods they buy have been made in line with internationally recognised standards for working conditions and the environment. Norwegian companies that import raw materials and goods for operations, processing or sale seldom own any of the production abroad. Neither does change occur overnight. The road to improvement is therefore mainly through long term cooperation with agents, importers and producers. Both in Norway and internationally, there is now an increasing expectation that public and private organisations display social responsibility in their own supply chains. Norway has formulated these expectations in the 2009 stortingsmelding (white paper) “Trade and industry’s social responsibility in a global economy.” Supply chain responsibility is also on the agendas of international organisations, for example through the UN’s Global Compact. (Source: www.etiskhandel.no)

Ethical trade at Helse Sør-Øst – organization

At Helse Sør-Øst every employee who conduct purchasing are obliged to follow the health authority’s ethical guidelines. A risk assessment shall therefore be made of all procurements above a certain size. By means of a calculated risk of unethical supply chains, ethical requirements shall be set. Sykehuspartner will follow-up the contract and the purchasing department of the regional health authority will attend if necessary.

National organization

Helse Sør-Øst is a member of the organization ETI Norway (Ethical Trade Initiative) together with the tre other hospital regions in Norway and the national purchasing services, Hinas. This means by others, that all public hospitals in Norway are committed to following the ETIs Code of Conduct and that the regions cooperate about following-ups and use the same toils because of the membership in ETI Norway. ETI Norway will often also be helpers in meetings with suppliers or in audits in production countries.

Following up on suppliers

Dialogue and cooperation with our suppliers are success factors in this work. Helse Sør-Øst RHF has started a programme of supplier seminars



about ethical trade and following up on ethical requirements in the supply chains. Every time a procurement will have ethical requirements, this shall clearly appear in the basis for tender. It shall also be on the agenda when the contract is written. As a member of the organisation ETI Norway, Helse Sør-Øst is committed to make an annual report of which procurements are subject to ethical requirements and how they are follow- up. Sykehuspartner will perform subsequent risk assessments and follow up with the suppliers in the following ways:

1. Issuing and analysing self-declaration forms
2. Detailed follow up on various issues, for example how the ethical requirements are pursued along the supply chain and the suppliers' plans for risk analysis
3. Audit/improvement control at the manufacturer
4. Follow up meetings with suppliers to prepare any necessary

ETHICAL/SOCIAL CRITERIA – CONTRACTUAL CONDITIONS

Our suppliers shall respect basic human rights, workers' rights and the environment, both in their own businesses and in their supply chains. Goods supplied to the contractor shall be produced under conditions that accord with the criteria listed in section 1 below. These criteria are based on key UN conventions, ILO conventions and national labour legislation at the place of production.

The criteria describe minimum standards. Where conventions and national laws and regulations address the same issues, the highest standard shall always apply. If a supplier uses sub-suppliers to fulfil this contract, the supplier shall ensure compliance with the criteria by the sub-suppliers.

1. WORKERS' RIGHTS

Suppliers shall ensure compliance with the ILO core conventions, both in their own businesses and by the sub-suppliers who contribute to the performance of this contract. This means:

Ban on child labour (Article 32 of the UN Convention on the Rights of the Child, ILO Convention nos. 138 and 182)

- Children have the right to be protected against economic exploitation in work, and against carrying out work which may undermine their educational and developmental opportunities.
- The minimum age shall in no event be lower than 15 years (14 or 16 years in some countries).
- Children under 18 shall not carry out work which endangers their health or safety, including night work.
- If such child labour is used, a speedy phasing-out shall be sought. At the same time, a system shall be put in place to ensure that the children are provided for and are able to pursue an education until they are no longer of school age.

Ban on forced labour/slave labour (ILO Convention nos. 29 and 105)

- No form of forced labour, slave labour or involuntary work shall be permitted.



- Workers shall not be required to pay a deposit or surrender their identity papers to their employer, and shall be free to terminate their employment contracts upon reasonable notice.

Ban on discrimination (ILO Convention nos. 100 and 111)

- No discrimination shall be permitted in working life on the basis of ethnicity, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

The right to form trade unions and the right to collective bargaining (ILO Convention nos. 87 and 98)

- Workers shall, without exception, have the right to join or form trade unions as they choose, and to bargain collectively.
- If these rights are restricted or under development, the supplier shall facilitate meetings between the employees and management to discuss wage and working conditions, and the workers shall not suffer negative consequences as a result.

Provisions in national legislation

Suppliers shall ensure compliance with labour law and labour legislation, both in their own businesses and by the sub-suppliers who contribute to the performance of this contract. This means that compliance is required with laws and regulations relating to: 1) wage and working-time provisions; 2) occupational health and safety issues; 3) regular employment conditions; 4) inhumane and harsh treatment; and 5) relevant statutory social insurance.

2. FOLLOW-UP

Suppliers shall ensure compliance with the workers' rights described in section 1, both in their own businesses and by the sub-suppliers who contribute to the performance of this contract. At the request of the contractor, such compliance shall be documented through:

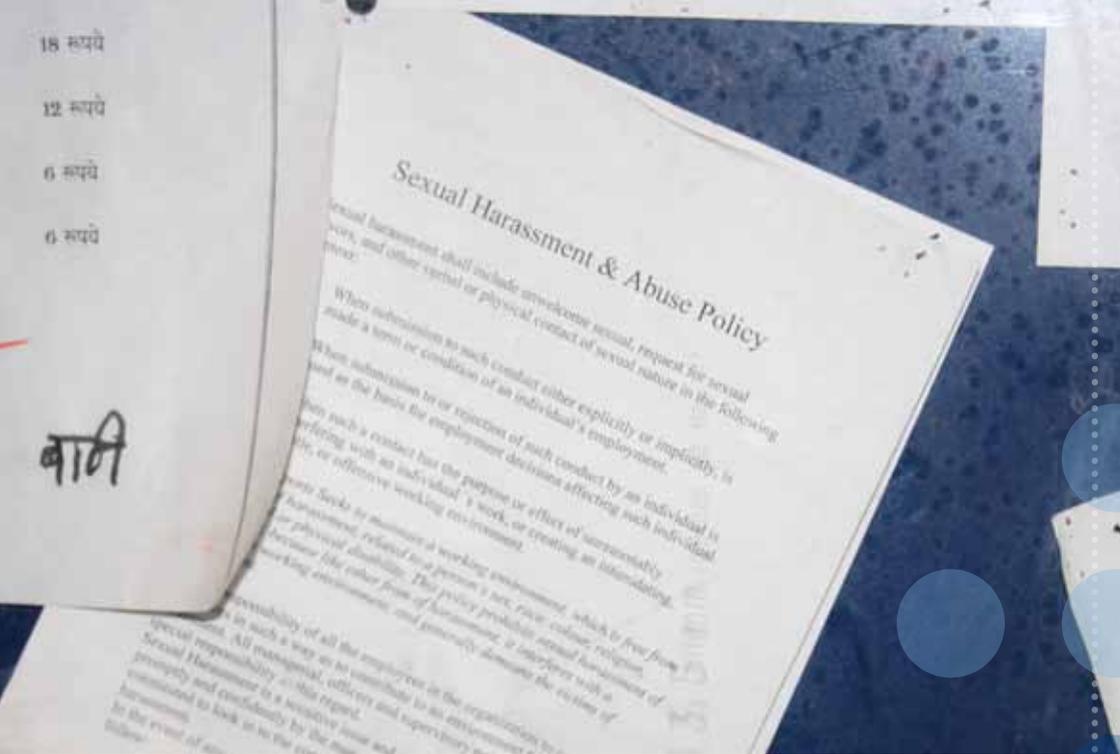
- self-assessment; and/or
- follow-up meetings; and/or
- an audit by an independent party; and/or
- third-party certification, for example SA8000 or equivalent.

3. BREACHES

Breaches of section 1 or section 2 will be regarded as breaches of contract. In the event of a contractual breach, the supplier is obliged to remedy the highlighted failings by the deadline set by the contractor, as long as this is not unreasonably short. The rectifications must be documented in writing and in the manner decided by the contractor. Failure to remedy will be regarded as a serious breach, and the contractor will be entitled to terminate the contract.

Audits

Helse Sør-Øst, party authorised by Helse Sør-Øst, shall have a reserved right to conduct announced, semi-announced or unannounced audits of one or several parties in the supply chain during the contract period. In the event of an audit, the supplier shall be obliged to provide the names of and contact information for sub-suppliers. Contact information shall be treated confidentially.



How far back along the supply chain shall the requirements apply?

Essentially, the ethical requirements apply to all stages of production. In procurements for Helse Sør-Øst, the ethical requirements shall, as a minimum, apply to the production stage; that is to say, where the product is assembled into its final form. In some cases, the primary manufacturer will outsource part of the production to other and smaller manufacturers or producers, and in such cases the ethical requirements will also apply to these. Helse Sør-Øst and Sykehuspartner will also assess the risk of a breach earlier in the supply chain and may make spot checks further back in the chain than the manufacturer. Typical examples of this include suppliers of cotton fabric to factories that sew hospital textiles or the part production of surgical instruments.

What do the Norwegian authorities say?

It is a statutory requirement that public procurements must be subject to environmental requirements. The same does not yet apply to ethical requirements. The Government's action plan "The environment and social responsibility in public procurements" (2007-2010) puts the spotlight on



the role of the public sector as customer and consumer. In this plan, the Government sets clear goals: Public bodies must set an example and be responsible consumers who demand eco-friendly goods and goods that have been manufactured in accordance with high ethical and social standards.

Particular vigilance in procurements of medical equipment

Hospitals have an extra responsibility to ensure that equipment that will be used to restore Norwegian patients to health does not destroy the health of people in other parts of the world. Experience in Sweden has shown that risk analyses for typical hospital products, such as operation articles, gloves, bandages and stainless instruments, show a particularly high risk of breach of our ethical requirements. For these products, ethical requirements shall be set for all procurements. This is also in accordance with the Ministry of Health and Care Services' protocol for 2010, which specifically asked the health authorities to put this on the agenda.

ETI Norway - Ethical trade initiative

The ETI is a resource centre and a driving force for ethical trade whose purpose is to collaborate in ensuring trade that promotes human rights, workers' rights, development and the environment. As members of the organisation, all Helse Sør-Øst's employees have the opportunity to participate in courses organised by the ETI. The initiative has also prepared



various types of tools that help buyers and supports Helse Sør- Øst and Sykehuspartner in audits and follow up in producing countries.

www.etiskhandel.no

Agency for Public Management and eGovernment (Difi)

Difi is the government agency with professional responsibility for public procurements. This includes the professional development of the field of ethical trade in the public sector. Some useful tools and reports on this topic may be found on their website.

www.anskaffelser.no

Sykehuspartner

Hospital Partner - Provider of non-medical support services to all hospitals in Helse Sør-Øst.

www.sykehuspartner.no

Helse Sør-Øst RHF, purchasing and logistics department

E-mail innkjop@helse-sorost.no to order this brochure or with any questions concerning Helse Sør-Øst and ethical trade.

www.helse-sorost.no/innkjop



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