

**NHS Scotland National Procurement**

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<b>Purpose of document</b>	Summary document
<b>Other detail (delete row if appropriate)</b>	Summarisation of documents of high importance for the Business Case

<b>Related projects</b>	Names and doc reference numbers
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NHS Scotland  
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## **Introduction**

The adoption of a Sustainable Procurement policy can assist to reduce costs, manage risk, sustain resource, secure supply, and ensure compliance with relevant legislation. NHS Scotland National Procurement is committed to reducing, as far as possible, any adverse environmental and social impacts which may be caused by its contracting activities. Through continually challenging our activities and encouraging and inspiring others, our approach will deliver tangible results that make a difference, now and in the future for society and the environment.

## **Aim**

NHSS National Procurement understands the importance of ensuring its acts ensure the promotion and maintenance of high standards of social, ethical and environmental conduct. We are also committed to ensuring that our suppliers and Contractors on National contracts are encouraged to adopt a similar responsible approach. NHSS National Procurement Sustainable procurement policy has been developed to take into account the Global Compact, a widely adopted United Nations standard for responsible business practice, covering human rights, labour rights, the environment and anti-corruption. As a globally recognised and universally applicable set of standards, the Ten Principles of the Global Compact form the basis of our Supplier Code of Conduct. The 10 principles are:

## **The Ten Principles of the Global Compact**

### **Human Rights**

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

### **Labour Standards**

- Principle 3: Businesses should uphold the freedom of association and the effective recognition

of the right to collective bargaining;

- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

### **Environment**

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies

### **Anti-Corruption**

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

National Procurement have also produced its own 'Code of Conduct main principles for suppliers' which outline the expectations of all companies who do business with it or those accessing its contracts. This document is detailed in Attachment 2.

The Sustainable Procurement Policy, Supplier Code of Conduct and NHSS Terms & Conditions represent the minimum requirements for suppliers. Any specific requirements will be addressed within the specific category and contracting strategy.

### **Objectives**

NHSS National Procurement's key objectives regarding Sustainable Procurement are to:

- determine the need for procurement through business processes and consider alternatives
- adhere to targets set out in the Sustainable Procurement Task Force Report
- aim to ensure that all NHSS National Procurement procurement incorporates significant improvement in Sustainable Development aspects
- aim to ensure that NHSS National Procurement procurement activity complies with the Government Minimum Standards and the OGC Quick Wins specification
- adopt minimum labour standards and worker rights detailed in the UN Global Compact throughout the product life-cycle
- utilise sustainable resources wherever possible and appropriate
- protect biodiversity

- develop awareness, understanding and competencies in relation to sustainable procurement across all NHSS Supply Chain procurement staff
- communicate the Supplier Code of Conduct to all its suppliers
- introduce a baseline questionnaire to enable NHSS National Procurement to encourage suppliers to share with us their policies and practices in relation to sustainable procurement
- work with suppliers to understand potential risks within the supply chain and opportunities to limit these where possible

### **Implementation**

This policy will be supported by a Sustainable Procurement Action Plan, focused on the following areas:

#### **Sustainable Procurement Flexible Framework**

- Aspire to level 3 of the Flexible Framework by end of 2010.

#### **'Quick Wins'**

- Roll out a process to ensure that all relevant procurement activity adheres to targets set within the OGC 'Quick Wins'.

#### **Sustainable Procurement Strategy**

- Consider a Sustainable Procurement strategy for all contracting activity by including it as part of the business case.
- Conduct risk assessments for all contracting activity.
- Communicate the Supplier Code of Conduct to the supply base and ensure it is part of any communication with any new contracting activity.
- Include Sustainable procurement evaluation criteria and supplier selection where possible within the OJEU legal guidelines.

### **Training & Development**

All procurement staff will receive training to raise awareness, understanding and competencies in relation to implementing this sustainable procurement policy. Sustainability is an integral part of the new employee induction programme.

### **Communications**

The Sustainable Procurement Policy, Strategy and Action Plan will be communicated both internally and externally. All documents will be made available to customers and suppliers via the National Procurement

website.

### **Monitoring and Reporting**

Progress against the Sustainable Procurement Action Plan will be monitored on an ongoing basis and reports will be prepared quarterly.

### **Review**

The NHSS National Procurement Sustainable Procurement Policy and Action Plan will be reviewed annually and in line with any relevant legislation.

## **Appendix 1 of the Sustainable Procurement Policy**

### **The Ten Principles of the Global Compact**

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- Principle 2: make sure that they are not complicit in human rights abuses.

#### **Labour Standards**

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
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#### **Environment**

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
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#### **Anti-Corruption**

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## **Appendix 5 – Proposed Supplier Code of Conduct**

### **NHS Scotland National Procurement Supplier Code of Conduct**

NHSS National Procurement recognises the importance of good corporate citizenship and of maintaining high standards of social, ethical and environmental conduct.

We are also committed to ensuring that our suppliers and contractors throughout the supply chain adopt a similar approach and have developed a supplier code of conduct which we expect all our suppliers to adhere to.

### **Laws and Ethical Standards**

The supplier shall comply with all laws applicable to its business. The supplier should adhere to the principles of the United Nations' Global Compact, UN Declaration of Human Rights as well as the 1998 International Labour Organisation's "Declaration on Fundamental Principles and Rights at Work" in accordance with national law and practice, especially:

#### **Child Labour**

- The supplier shall not use child labour younger than the age of fifteen. In no event especially when national law or regulations permit the employment or work of persons 13 to 15 age on light work, the employment shall prevent the minor from complying with compulsory schooling or training requirements and being harmful to their health or development.

#### **Forced Labour**

- The supplier shall make no use of forced, or compulsory labour.

#### **Compensation and Working Hours**

- The supplier shall comply with national applicable laws and regulations regarding working hours, wages and benefits.

#### **Discrimination**

- The supplier should promote the diversity and heterogeneity of the individuals in the company with regard to race, religion, disability, sexual orientation or gender among others.

#### **Health & Safety**

- The supplier shall comply with applicable occupational health and safety laws and regulations

and provide a safe and healthy working environment to prevent accidents and injury to health.

### **Business Continuity Planning**

- The supplier shall be prepared for any disruptions of its business (e.g. natural disasters, terrorism, software viruses, medical/infectious diseases).

### **Improper Payments/Bribery**

- The supplier shall comply with international anti-bribery standards as stated in the United Nations' Global Compact and local anti-corruption and bribery laws. In particular, the supplier may not offer services, gifts or benefits to NHS Supply Chain employees in order to influence the employee's conduct in representing NHS Supply Chain.

### **Environment**

The supplier shall comply with all applicable environmental laws, regulations and standards as well as implementing an effective system to identify and eliminate potential hazards to the environment.

### **Business Partner Dialogue**

The supplier shall communicate the above mentioned principles stated in the Code to its subcontractors and other business partners involved in the products and services being supplied to the NHS in Scotland and motivate them to adhere to the same standards.

### **Compliance with the Supplier Code of Conduct**

NHS Scotland National Procurement reserves the right upon reasonable notice to check compliance with the requirements of the Supplier Code of Conduct and encourages its suppliers to implement their own binding guidelines for ethical behaviour.

The supplier agrees that it is responsible for controlling its own supply chain and that it shall encourage compliance with ethical standards, human rights, health and safety and environmental standards by any subsequent supplier of goods and services that are used by the supplier when performing its obligations under National Contracts.