



Brotherhood of St Laurence

Working for an Australia free of poverty

Ethical procurement-the social dimensions

Introduction

- Domestic and international dimensions of ethical procurement
- How did the BSL get involved?
- What has been the BSL response to responsible supply chain management / ethical procurement?
- What challenges and opportunities did this present?
- What have been the outcomes for the BSL?
- Practical steps towards ethical purchasing

How did the BSL get involved in supply chain management and ethical procurement?

- Generous gift creates new opportunities for the BSL
- Acquiring a business with a supply chain in China
- An ethical dilemma - vulnerable workers and financial security
- Responding to the dilemma – divest, ignore, embrace?

How did the BSL respond?

- Established an ethical business project and position
- Mapping the supply chain
 - Factory identification
 - Customer profile & subcontracting
- Understanding the labour & environmental conditions
 - Worker profile, factory conditions, environmental standards
- Global dimensions of CSR

What challenges did this present?

- Understanding China's regulatory, business & cultural environment
- Enterprise capacity – customer leverage
- Complexity of the issue – conceptual, ethical & regulatory
- Codes of conduct, monitoring and compliance
- Costs of compliance
- Corporate governance & production networks
- Time consuming

What opportunities did this present?

- A process of dialogue and engagement
 - Ethical business and competitive advantage
 - Education and training potential
 - Occupational health and safety
 - Worker participation
- Links with global brands and NGO's
- International profile
- Review of business practices
- Improved processes and business practices

What have been the outcomes for the BSL?

- Ongoing involvement in ethical business
- Opportunities to work with the corporate sector – stakeholder engagement
- Involvement in the global dimensions of CSR
- Commitment to international standards – ILO / OECD
- Code of Ethical Behaviour
- Supplier Commitment documents
- Establishing social enterprises – Hunter Gatherer, T.shirt business (bsl.org.au), Mod-Style, cleaning services
- Green Team

Practical ways to adopt international ethical purchasing and procurement practices

- Acknowledge that ethical procurement includes international sourcing
- Employ specialist staff to work on international procurement
- Map all supply chains and subcontracting arrangements
- Visit factories offshore to confirm labour & environmental conditions
- Research the labour / environmental conditions & compliance
- Develop open, transparent and direct relationships with suppliers
- Commit to, & act, in accordance with international treaties & conventions
- Develop Codes / supplier questionnaires that are country specific
- Promote education, training, OH&S in offshore suppliers

Practical ways to adopt domestic ethical purchasing and procurement practices

- Map the suppliers of all goods & services to your organisation, & the labour and environmental conditions under which they are produced or delivered
- Review existing contracts to provide uniforms – support local manufacturers who are NoSweatShop Label accredited
- Commit to ensuring all special event T.shirts are made by accredited manufacturers
- Use cloth bags (NoSweatShop Label) for conferences, forums, AGM's
- Review cleaning contracts – employ organisations with green products, good employment practices (award wages, long-term unemployed) and NoSweat uniforms
- Provide Fair Trade tea and coffee in the workplace

Stakeholder engagement

- Work with the community and NGO's.
- BSL can provide services in:

Responsible supply chain management

Ethical T-shirt design and production

Developing a Code of Ethical Behaviour

Stakeholder engagement participation