



The Global Standard for Procurement and Supply

Version 3.0 – Published 2017

Leading global excellence in procurement and supply

Segment 11.1 Maintaining Ethical and Responsible Procurement and Supply

Level: Tactical

Theme: Ethics

Knowledge: Will know and understand	Capabilities: Will be able to
<p>The overall impact of ethics and responsible procurement on business success</p>	<p>Appreciate the importance of promoting and supporting sound ethical practice, such as:</p> <ul style="list-style-type: none"> • Business continuity impact • Reputational impact • Financial impact • The extended supply chain • Enhancing proficiency and stature of the profession • Ensuring compliance with international laws and regulations
<p>The application of the CIPS Corporate Code of Ethics in procurement and supply</p>	<p>Explain the key aspects of the CIPS Corporate Code of Ethics that apply to your role within procurement and supply</p>
<p>The details included in ethical codes affecting procurement and supply</p>	<p>Explain the key features of ethical codes that affect procurement and supply and how you should identify and address, and when and who you should notify internally of any breaches in ethical business practice</p>
<p>The use and roles of ethical codes in procurement and supply</p>	<p>Ensure that you comply with ethical practices when sourcing goods or services for your organisation</p>

Knowledge: Will know and understand

Capabilities: Will be able to

The use of documented policies and procedures to ensure ethical and responsible practice throughout the procurement and supply process, such as:

- The responsibilities for procurement
- Regulations relating to competition
- Levels of delegated authority
- Responsibilities for the stages of the sourcing process
- Segregation of duties
- Whistleblowing policy and practice
- Use of sanctions

Monitor documented policies and procedures used in procurement and supply to ensure compliance with ethical and responsible procurement practice

The monitoring of ethical and responsible practice amongst internal and external stakeholders

Appreciate the importance of monitoring ethical and responsible practice amongst internal and external stakeholders and the processes required for reporting any suspected breaches

The principles of corporate governance that applies to procurement and supply

Explain the main principles of corporate governance that applies to the organisation's procurement and supply function

Knowledge: Will know and understand

Capabilities: Will be able to

The impact of bribery, corruption and fraud on procurement and supply and related issues, such as:

- Associated legislative frameworks e.g. UK Bribery Act 2010
- Reputational impact
- Risk assessment
- Due diligence, monitoring and audits
- Paying and receiving bribes
- The importance of integrity
- Types of corruption - Political, Petty, Grand and Systematic

Appreciate the impact of bribery, corruption and fraud on procurement and supply activity and be able to identify and report suspect breaches

The concept of Corporate Social Responsibility (CSR) and related issues and drivers, such as:

- Minimising negative effects of business on local communities
- Promoting good citizenship
- Social, economic and cultural diversity
- The triple bottom line - People/Profit/Planet
- Extending procurement and supply decisions away from just price and quality

Recognise the importance of CSR for the profession and the associated challenges, methods and approaches to address these

Sustainability and its importance in procurement and supply decision making, including considering the environmental merits and social impacts of alternative solutions

Recognise the impact of sustainability on the supply chain and the importance of meeting present need without compromising the ability of future generations to meet their needs

Knowledge: Will know and understand	Capabilities: Will be able to
<p>Modern slavery and the associated considerations for the procurement and supply profession, such as:</p> <ul style="list-style-type: none"> • Human trafficking • Forced and bonded labour • Child slavery and marriage • Domestic slavery • Decent working practices • Slavery in the supply chain • Legislative frameworks e.g. UK Modern Slavery Act 2015 • United Nations Guiding Principles on Business and Human Rights (UNGP, 2011) 	<p>Apply the concept of modern slavery and identify potential impacts on procurement and supply activity, recognising when breaches have occurred and the associated reporting actions</p>

Related CIPS Knowledge Links

[Supply Chain Governance - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Procurement-Organisation/Supply-Chain-Governance/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Procurement-Organisation/Supply-Chain-Governance/)

[Procurement Policy Development - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Strategy-policy/Procurement-policy-development1/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Strategy-policy/Procurement-policy-development1/)

[Sustainable and Ethical Procurement - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Sustainability/Sustainable-and-Ethical-Procurement/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Sustainability/Sustainable-and-Ethical-Procurement/)