



The Global Standard for Procurement and Supply

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Segment 11.2 Developing Approaches for Ethical and Responsible Procurement and Supply

Level: Operational

Theme: Ethics

Knowledge: Will know and understand	Capabilities: Will be able to
<p>The application of the CIPS Corporate Code of Ethics in procurement and supply, such as:</p> <ul style="list-style-type: none">• Enhancing and protecting the standing of the profession• Maintaining the highest standard of integrity in all business relationships• Promoting the eradication of unethical business relationships• Enhancing the proficiency and stature of the profession• Ensuring compliance with laws and regulations	<p>Ensure and encourage full compliance with the CIPS Corporate Code of Ethics across all stages of the procurement and supply cycle</p>
<p>The use of codes of ethics in procurement and supply and the reporting of ethical malpractice</p>	<p>Develop and monitor the processes and procedures adopted by internal and external stakeholders to ensure that ethical and responsible procurement and supply principles are upheld, escalating to senior management any suspected breaches</p>

Knowledge: Will know and understand	Capabilities: Will be able to
<p>The development of documented policies and procedures to ensure ethical and responsible practice throughout the procurement and supply process, such as:</p> <ul style="list-style-type: none"> • 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 	<p>Develop, interpret, communicate and monitor documented policies and procedures for procurement and supply that should be implemented to ensure ethical practice</p>
<p>The potential impact of bribery, corruption and fraud on procurement and supply</p>	<p>Develop and monitor processes and procedures to identify and address potential bribery, corruption and fraud in the supply chain</p>
<p>The potential impact of Corporate Social Responsibility (CSR) on procurement and supply</p>	<p>Advise other members of the organisation on the requirements of CSR and develop policy and procedures to ensure CSR compliance e.g. ISO26000 Social Responsibility</p>
<p>The requirement for sustainable procurement and supply</p>	<p>Advise other members of the organisation on sustainability and develop and monitor processes and procedures to support sustainable procurement and supply activity ensuring compliance with ISO20400 Sustainable Procurement</p>

Knowledge: Will know and understand	Capabilities: Will be able to
The potential impact of modern slavery on procurement and supply activity	Advise other members of the organisation on the potential impact of modern slavery and develop policy and procedures to identify and act on any suspected breaches of associated legislature

Related CIPS Knowledge Links

[Leadership and Promotion of Procurement and Supply Management - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/People-and-skills/Leadership-and-Promotion-of-Procurement-and-Supply-Management1/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/People-and-skills/Leadership-and-Promotion-of-Procurement-and-Supply-Management1/)

[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/)

[Legislation - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/External-Environment/Legislation1/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/External-Environment/Legislation1/)

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

[Performance Analysis/Management - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Developing-and-managing-contracts/Performance-Analysis-and-Management1/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Developing-and-managing-contracts/Performance-Analysis-and-Management1/)

[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/)

[Conflict Resolution - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Developing-and-managing-contracts/Conflict-Resolution/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Developing-and-managing-contracts/Conflict-Resolution/)

Segment 11.3 Achieving Ethical and Responsible Sourcing

Level: Operational

Theme: Ethics

Knowledge: Will know and understand	Capabilities: Will be able to
<p>International and industry standards that apply against criminal conduct</p>	<p>Ensure adherence to international standards that apply against criminal conduct, such as:</p> <ul style="list-style-type: none"> • Bribery, corruption and fraud • Human rights abuse including modern slavery, child labour and decent working principles • Industry schemes, voluntary codes and legislation and escalating any suspected breaches • United Nations Guiding Principles on Business and Human Rights (UNGP, 2011)
<p>The incorporation of practices to support the implementation of ethical/responsible sourcing in procurement processes</p>	<p>Engage with stakeholders to devise specifications, contract terms, KPIs and other instruments to encourage suppliers to prevent, detect and eradicate breaches of ethical standards</p>
<p>The use of prequalification and assessment criteria across all tiers of the supply chain that can be applied to encourage ethical/responsible sourcing in the procurement process</p>	<p>Engage with stakeholders to agree prequalification and assessment criteria that can be applied to encourage ethical/responsible sourcing and undertake a risk based approach to segmenting sub-tiers of the supply chain to fully assess ethical risks</p>

Knowledge: Will know and understand

Capabilities: Will be able to

Sources of information and databases that examine ethical practices

Carry out research and map supply chains to assess vulnerabilities and risks in supply that may result in breaches of ethical standards

The importance of obtaining supporting information on ethical practices in supplier quotations and tenders

Undertake due diligence on suppliers to evaluate the risks of breaching ethical standards

The use of audits and other feedback mechanisms to evaluate workplace standards

Monitor performance and encourage dialogue with suppliers on how improvements to workplace standards can be made and recommend to senior management appropriate remedies that can be taken with suppliers that may have committed breaches of ethical policies

The potential impact of bribery, corruption and fraud on sourcing activity in procurement and supply

Undertake due diligence checks on suppliers to evaluate the risks of bribery, corruption and fraud and monitor for potential breaches in associated contract negotiations

The potential impact of Corporate Social Responsibility (CSR) on sourcing activity in procurement and supply

Undertake due diligence checks on suppliers to evaluate compliance to CSR principles and develop contracts which ensure future CSR adherence and the ability to monitor for potential breaches

Knowledge: Will know and understand	Capabilities: Will be able to
<p>The potential impact of sustainability on sourcing activity in procurement and supply</p>	<p>Undertake due diligence checks on suppliers to evaluate compliance to sustainability principles and develop contracts which ensure future sustainability and the ability to monitor for potential breaches</p>

The potential impact of modern slavery on sourcing activity in procurement and supply

Undertake due diligence checks on suppliers to evaluate on modern slavery and develop policy and procedures to identify and act on any suspected breaches of associated legislature e.g. UK Modern Slavery Act 2015

Related CIPS Knowledge Links

[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/)

[Specification Development - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Understand-Need---Market-and-options-assessment/Setting-KPIs/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Understand-Need---Market-and-options-assessment/Setting-KPIs/)

[Terms and Conditions and the Developing of Contracts - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Developing-and-managing-contracts/Terms-and-Conditions-and-the-Developing-of-Contracts/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Developing-and-managing-contracts/Terms-and-Conditions-and-the-Developing-of-Contracts/)

[Supplier Evaluation and Appraisal - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Supplier---bid---tender-evaluation/Supplier-Evaluation-and-Appraisal1/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Supplier---bid---tender-evaluation/Supplier-Evaluation-and-Appraisal1/)

[Supplier Evaluation and Appraisal - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Supplier---bid---tender-evaluation/Supplier-Evaluation-and-Appraisal1/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Supplier---bid---tender-evaluation/Supplier-Evaluation-and-Appraisal1/)

[Performance Analysis and Management - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Developing-and-managing-contracts/Performance-Analysis-and-Management1/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Developing-and-managing-contracts/Performance-Analysis-and-Management1/)

[Setting KPI's - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Strategy-policy/Setting-KPIs/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Strategy-policy/Setting-KPIs/)

[Stakeholders - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Procurement-Organisation/Stakeholders/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Procurement-Organisation/Stakeholders/)

[Confidentiality Agreement - Tools and Templates - http://www.cips.org/Knowledge/Tools-and-Templates-revised/Sourcing-and-Tendering/Confidentiality-Agreement/](http://www.cips.org/Knowledge/Tools-and-Templates-revised/Sourcing-and-Tendering/Confidentiality-Agreement/)

[Cross Border Risk - http://www.cips.org/dunandbradstreet](http://www.cips.org/dunandbradstreet)

[Sustainable and Ethical Procurement - White Papers - https://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Sustainability/Sustainable-and-Ethical-Procurement/#tabs-2](https://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Sustainability/Sustainable-and-Ethical-Procurement/#tabs-2)

[Modern Slavery - http://www.cips.org/en-gb/knowledge/procurement-topics-and-skills/sustainability/sustainable-and-ethical-procurement/#tabs-4](http://www.cips.org/en-gb/knowledge/procurement-topics-and-skills/sustainability/sustainable-and-ethical-procurement/#tabs-4)