



# The Global Standard for Procurement and Supply

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# 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 sustainable procurement on business success</p>	<p>Appreciate the importance of promoting and supporting sound ethical and sustainable practices, such as:</p> <ul style="list-style-type: none"> <li>• Business continuity impact</li> <li>• Reputational impact</li> <li>• Financial impact</li> <li>• The extended supply chain</li> <li>• Enhancing the status of the profession</li> <li>• Ensuring compliance with international laws and regulations</li> </ul>
<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 roles 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: how to identify and address issues, and when and to whom to notify issues and breaches of ethical business practice</p>
<p>The use and roles of ethical codes in procurement and supply</p>	<p>Ensure own compliance with ethical practices when sourcing goods or services for the organisation</p>

**Knowledge: Will know and understand****Capabilities: Will be able to**

The use of documented policies and procedures to ensure ethical and sustainable 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 and explain how these should be used

The monitoring of ethical and sustainable practice among internal and external stakeholders

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

The principles of corporate governance that apply to procurement and supply

Explain the main principles of corporate governance that apply 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 escalate suspected 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 including equality, diversity and inclusion
- The triple bottom line: People/Profit/Planet
- Extending procurement and supply decisions away from just price and quality

Recognise the importance of CSR and equality, diversity and inclusion for the profession and the associated challenges. Develop methods and approaches to address these challenges

Sustainable procurement and supply decision making, including considering the environmental merits and social impacts of alternative solutions

Recognise the impact of sustainable procurement on the supply chain and the importance of meeting present needs 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"> <li>• Human trafficking</li> <li>• Forced and bonded labour</li> <li>• Child slavery and marriage</li> <li>• Domestic slavery</li> <li>• Decent working practices</li> <li>• Slavery in the supply chain</li> <li>• Legislative frameworks e.g. UK Modern Slavery Act 2015</li> <li>• United Nations Guiding Principles on Business and Human Rights (UNGP, 2011)</li> </ul>	<p>Identify potential impacts of modern slavery on procurement and supply activity, recognising when breaches have occurred and escalating these when appropriate</p>

## 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/)

[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/)