



The Global Standard for Procurement and Supply

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Leading global excellence in procurement and supply

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 importance of reporting of ethical malpractice</p>	<p>Monitor the work of stakeholders to ensure that ethical and sustainable procurement and supply principles are upheld, escalating to senior management any suspected issues or breaches</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

Explain how documented policies and procedures for procurement and supply should be implemented to ensure ethical and sustainable practice procurement and supply

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

Identify any potential bribery, corruption and fraud in the supply chain and escalate any suspected cases as appropriate

The potential impact of corporate social responsibility (CSR) on procurement and supply

Advise other members of the organisation on the requirements of CSR and ensure CSR standards such as ISO 26000 Social Responsibility are implemented

The requirement for sustainable procurement and supply

Advise other members of the organisation on sustainable procurement, ensuring compliance with adopted standards such as ISO 20400 Sustainable Procurement

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, escalating any suspected breaches of associated legislation

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>Inform colleagues and stakeholders of 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>How to support the implementation of ethical and sustainable sourcing practices</p>	<p>Engage with stakeholders to devise specifications, contract terms, KPIs and other instruments that 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/and sustainable sourcing in the procurement process</p>	<p>Engage with stakeholders to agree prequalification and assessment criteria that can be applied to encourage ethical and sustainable sourcing and undertake a risk-based approach to segmenting tiers of the supply chain to fully assess ethical and sustainability 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 to evaluate the risks of suppliers breaching ethical standards

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

Monitor performance and encourage dialogue with suppliers about how improvements to workplace standards can be achieved, 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 the performance of contracts

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 sustainable procurement on sourcing activity in procurement and supply</p>	<p>Undertake due diligence checks on suppliers to evaluate compliance with sustainable procurement principles. Develop contracts that ensure ongoing sustainable procurement principles. 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 their position on modern slavery and develop policy and procedures to identify and act on any suspected breaches of associated legislation, 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/)

[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/)

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

