

GUIDE TO THE
CIPS CODE
OF CONDUCT



timyoungmcips@outlook.com

CIPS Definition

ACCORDING TO CIPS THEMSELVES
THIS CODE OF CONDUCT IS AS
FOLLOWS

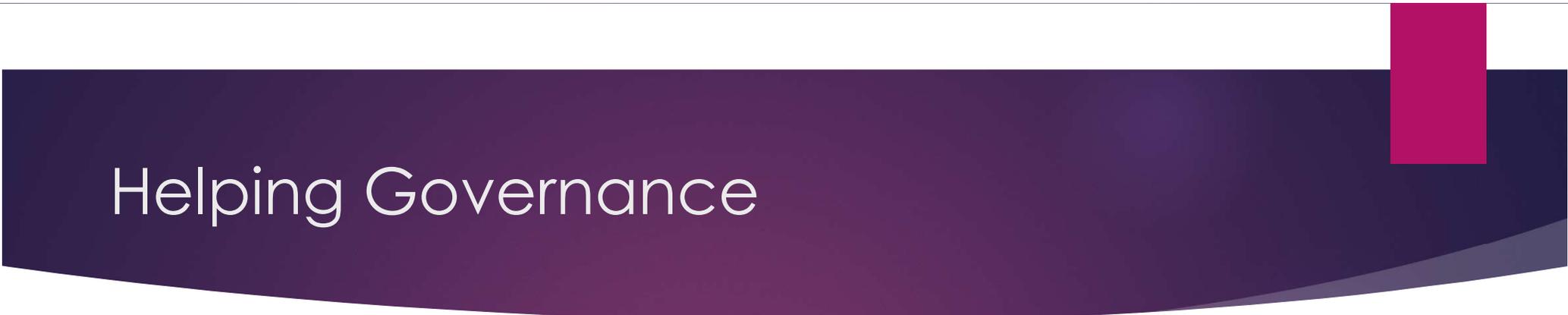
***“THE PURPOSE OF THIS CODE OF
CONDUCT IS TO DEFINE BEHAVIOURS
AND ACTIONS WHICH CIPS MEMBERS
MUST COMMIT TO MAINTAIN AS
LONG AS THEY ARE MEMBERS OF
CIPS.***

***MEMBERS OF CIPS WORLDWIDE ARE
REQUIRED TO UPHOLD THIS CODE
AND TO SEEK COMMITMENT TO IT BY
ALL THE PARTIES THEY ENGAGE WITH
IN THEIR PROFESSIONAL PRACTICE.”***

Definitions

This code of conduct outlines the ethical standards and professional behaviours expected of CIPS members. Members are obligated to adhere to these principles throughout their CIPS membership and encourage their professional partners to do the same.

This code of conduct establishes a global standard of ethical behavior for CIPS members. Members commit to upholding these principles and promoting them within their professional networks worldwide.



Helping Governance

The CIPS Code of Conduct significantly enhances corporate governance by establishing a framework for ethical behaviour and professional standards. By adhering to this code, procurement professionals ensure transparency, accountability, and fairness in all business dealings.

This promotes strong relationships with suppliers and customers, reduces the risk of corruption and fraud, and enhances the overall reputation of the organisation. Moreover, the code's emphasis on continuous professional development empowers procurement teams to improve their skills and knowledge, leading to more efficient and effective procurement processes.

Ultimately, by aligning with the CIPS Code of Conduct, organisations can strengthen their governance practices and mitigate risks, ultimately contributing to long-term sustainability and success.

Points of the Code

01

Enhance and protect the standing of the profession

02

Maintain the highest standard of integrity in all business relationships

03

Promote the eradication of unethical business practices

04

Enhance the proficiency and stature of the profession

05

Ensure full compliance with laws and regulations

Enhance, Integrity, Eradication, Proficiency, Compliance

CIPS Code of Conduct	How it Helps Corporate Governance
Enhance and protect the standing of the profession	Sets high ethical standards, promotes professional development
Maintain the highest standard of integrity in all business relationships	Encourages honesty, transparency, and fairness
Promote the eradication of unethical business practices	Raises awareness of unethical behaviour, provides guidance on addressing it
Enhance the proficiency and stature of the profession	Sets competence standards, promotes continuous learning
Ensure full compliance with laws and regulations	Requires adherence to laws and regulations, encourages staying updated



How it Helps Governance

Conduct in Action

CIPS Code of Conduct	Example
Enhance and protect the standing of the profession	A CIPS member refusing a bribe from a supplier to award a contract
Maintain the highest standard of integrity in all business relationships	A CIPS member disclosing a conflict of interest when evaluating supplier bids
Promote the eradication of unethical business practices	A CIPS member reporting a colleague who is engaging in fraudulent activities
Enhance the proficiency and stature of the profession	A CIPS member attending training courses to improve their procurement skills
Ensure full compliance with laws and regulations	A CIPS member ensuring that all procurement contracts comply with anti-bribery and corruption laws

Advantages

CIPS Code of Conduct	Advantages for a Business
Enhance and protect the standing of the profession	Improved reputation and trust with stakeholders
Maintain the highest standard of integrity in all business relationships	Stronger relationships with suppliers and customers
Promote the eradication of unethical business practices	Reduced risk of legal and reputational damage
Enhance the proficiency and stature of the profession	Improved efficiency and effectiveness in procurement processes
Ensure full compliance with laws and regulations	Reduced risk of fines and penalties

Non Compliance Risks

CIPS Code of Conduct	Potential Consequences of Non-Compliance
Enhance and protect the standing of the profession	Loss of trust and credibility with stakeholders Difficulty attracting and retaining top talent
Maintain the highest standard of integrity in all business relationships	Damaged relationships with suppliers and customers Increased risk of corruption and fraud
Promote the eradication of unethical business practices	Legal and financial penalties Reputational damage
Enhance the proficiency and stature of the profession	Inefficient and ineffective procurement processes Missed opportunities for cost savings and innovation
Ensure full compliance with laws and regulations	Legal and financial penalties Increased risk of regulatory investigations

Real World Examples

CIPS Code of Conduct	Real-world Example of Non-Compliance
Enhance and protect the standing of the profession	A procurement manager accepts a gift from a supplier in exchange for awarding a contract. This damages the reputation of the profession and the company.
Maintain the highest standard of integrity in all business relationships	A procurement officer fails to disclose a conflict of interest when evaluating bids from a supplier with whom they have a personal relationship. This could lead to unfair decision-making and potential legal issues.
Promote the eradication of unethical business practices	A procurement team overlooks potential human rights abuses in a supplier's supply chain. This could damage the company's reputation and lead to negative publicity.
Enhance the proficiency and stature of the profession	A procurement department fails to invest in training and development for its staff, leading to poor decision-making and increased costs.
Ensure full compliance with laws and regulations	A procurement manager fails to comply with local regulations when sourcing goods from overseas, leading to customs delays and potential legal penalties.

Overview

The CIPS Code of Conduct is a set of ethical guidelines designed to uphold the highest standards of professional behaviour within the procurement and supply chain industry. It serves as a framework for members to conduct themselves with integrity, fairness, and transparency in all business dealings. The code is instrumental in ensuring that procurement professionals act in a manner that benefits their organisations, suppliers, and the wider community.

The code outlines five key principles that CIPS members are expected to adhere to:

- 1. Enhance and protect the standing of the profession:** This principle requires members to uphold the reputation of the profession by acting with integrity, competence, and professionalism. For instance, a procurement manager who accepts a bribe from a supplier to award a contract would be in violation of this principle.
- 2. Maintain the highest standard of integrity in all business relationships:** This principle emphasises the importance of honesty, transparency, and fairness in all interactions with suppliers, customers, and colleagues. A procurement officer who fails to disclose a conflict of interest when evaluating bids could be seen as breaching this principle.
- 3. Promote the eradication of unethical business practices:** This principle requires members to actively combat unethical practices such as corruption, bribery, and fraud. A procurement team that overlooks potential human rights abuses in a supplier's supply chain would be failing to uphold this principle.
- 4. Enhance the proficiency and stature of the profession:** This principle encourages members to continually develop their skills and knowledge to maintain high standards of professionalism. A procurement department that fails to invest in training and development for its staff may not be fulfilling this principle.
- 5. Ensure full compliance with laws and regulations:** This principle requires members to adhere to all relevant laws and regulations, both domestic and international. A procurement manager who fails to comply with local regulations when sourcing goods from overseas could be in breach of this principle.

To implement the CIPS Code of Conduct, organisations should:

- **Communicate the code to all employees:** Ensure that all employees, especially those in procurement and supply chain roles, are aware of the code and its implications.
- **Provide training and development opportunities:** Offer training programs to help employees understand the code and apply its principles in their daily work.
- **Establish a strong ethical culture:** Create a workplace culture that values integrity, honesty, and fairness.
- **Develop clear policies and procedures:** Implement policies and procedures that align with the code and provide guidance on ethical decision-making.
- **Monitor and enforce compliance:** Regularly monitor compliance with the code and take appropriate disciplinary action if necessary.

By adhering to the CIPS Code of Conduct, procurement professionals can contribute to the ethical and sustainable development of their organisations and the wider economy. It is essential to remember that the code is not merely a set of rules, but a framework for ethical decision-making that can guide professionals in challenging situations.