



## ETHICAL AND RESPONSIBLE SOURCING

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### Lesson 01 – Ethical behavior in procurement

Let's start our journey into the ethical and responsible Sourcing. Lesson one ethical Behavior in Procurement very often it happens that we have a lot of complaints regarding how our sourcing process organized, that we are not fair and transparent in our activity. So, in this case it happens that sometimes things that the tendering consultant process organized in corruption way not fair way. To avoid this situation. recommend you and other my colleagues to include into their activity some elements of responsible and ethical behavior in sourcing process. Let's see what is it included and how it can help you to organize this process. When I'm talking about responsible and ethical behavior in Sourcing, I mean first of all, code of rules, how to behave in different situations and this code of rules and set of rules we call code of conduct or code of ethics. There are different names but their meaning and core understanding. What is this document? It is about how to organize your communication, your collaboration, your behavior in a proper way and in ethical way first of all. And code of conduct should include elements described, how you should behave in different situations and what your suppliers, what your clients can wait from your side and how they should behave in different situations. And of course it is set of rules which help us to respect different people, respect for different situations and of course respect to the planet. And we need to guide your suppliers and we need to guide your colleagues through this code of conduct and explain how you will behave in different situations. Some of my clients have separate code of conduct which are applicable for all employees and code of conducts for suppliers. It means that this is set of rules explaining suppliers, how to operate with your company and how to behave in different situations. If you don't have code of conduct, you can apply to advisers or consultants which can help you to create this document or you can apply to different associations which I'm sure have this document and can help you to set it in your business process and work with this document. When I am talking about ethical behavior in procurement, I mean also there are a lot of different approaches and different associations, different organizations which allow you to follow their rules. And for example, when we are talking about responsible behavior in terms of sustainability, in terms of responsible behavior to our planet, we of course all know about for example Carbon Trust and

other organizations. Also, it is very important to know the set of rules international labor organizations which help you to identify suppliers. Are they using slavery, are they using child labor or not? And of course, it helps you to variate these suppliers. How to construct this code of ethics and which questions answer this document for us? First of all, it is set of moral principles, values and other principles which established by your organizations. You put these principles into documents and demonstrate how it works and how you and your colleagues should behave in different situations. This document should help you describe the values and objectives of your organization and of course it is put it in this document. Indicators of how professionals in your organization should behave in case of any issues, in case of any not fair situations. This document helps you to promote the use of responsible sourcing on the market and you will be the best client for your suppliers. It is very important and this document protects you from any unfair issues. If somebody wants to use situation not certain situation or want to lose for example career or your projects and of course code of ethics define the mission and values of the organizations. So remember please that values and principles of your organization should be included in this document. If you include values and principles in the document but don't follow these principles it will not work anyway organization will not follow these principles. You should remember about it. And of course we are with suppliers, we are with the market on the first line and we sometimes should be initiated. If you don't have this document in organization you should be initiated to create this document which helps you to be fair with the market, to be fair with colleagues and to be transparent for all members and parties of the procurement process. Take this, use this document and it helps you to promote your activities and to promote your profession on the market. Stay with us and we continue this very interesting topic.

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