



**The Global Sourcing  
Industry Code of Conduct**



## The Global Sourcing Industry Code of Conduct (incorporating Shared Services and GBS)

### SUMMARY

As the principal ambassador of best practice and home of the Global Sourcing Standard, the Global Sourcing Association (GSA) is committed to promoting the highest standards of business practice, ethical behaviour and professional conduct.

This Global Sourcing Industry Code of Conduct defines the minimum standards of professional and business behaviours expected from our members and sets the bar for the broader sourcing industry. But more than this, the Code sets out the clear intent for the sourcing industry to consistently work within an agreed framework of best practice, in order to improve and sustain the reputation of the industry and to attract the best professionals to work within it. The Code sets out the standards and behaviours expected from employees and organisations that buy, supply and advise on sourcing and sourcing-related services.

The Global Sourcing Industry Code of Conduct guides sourcing professionals to high standards of ethical behaviour whilst differentiating members as industry leaders in sourcing best practice.

The industry code is comprised of two sets of guidelines:

- The Sourcing Professional Code of Conduct (for individuals)
- The Corporate Code of Practice

We expect all individual members to adhere to the **Sourcing Professional Code of Conduct**. Those individual members who are seen not to comply with the industry code and do not take action to address the issues when they are highlighted to them, may have their membership revoked.

Currently, the **Corporate Code of Practice** is a voluntary code for corporate members of the GSA, rather than mandatory. Those organisations who do adopt the Code can publish the GSA Corporate Code of Practice logo to signify their support for the code. Where it becomes necessary to do so, the GSA will review any cases of non-compliance to the code by corporate members. If necessary, the GSA will highlight the issues and work with the organisation to identify actions to address the issues raised. In the unlikely event that supporting member organisations refuse or are unable to comply with the code they will be required to cease to use the GSA Corporate Code of Practice logo.

### THE SOURCING PROFESSIONAL CODE OF CONDUCT

The Sourcing Professional Code of Conduct covers four key focus areas for individuals: behaviours; professional development; responsibility to an employer and the industry; and, responsibility to the broader environment.



## **Behaviours**

Focusing on your own behaviours as a sourcing professional, you commit to:

- Behave in a responsible and accountable way at all times
- Never use authority or position for personal financial gain
- Never allow gifts or hospitality to be seen to influence business decisions
- Actively work to avoid conflicts of interest
- Understand the importance of protecting personal privacy and commercial confidence
- Respect the spirit as well as the letter of laws and regulations in all areas of activity
- Work to highlight and eliminate unethical business practices

## **Professional Development**

Focusing on developing yourself:

- Demonstrate a commitment to continuing personal and professional development for yourself and others
- Take responsibility for ensuring that you and those who you may manage have the skills required to successfully deliver or manage contracted services

## **Focusing on your employer and your industry**

- Always follow the industry code of conduct and support your employer's own code, if they have one
- Never act in any way that may damage the reputation of the sourcing industry or your employer
- Understand there are ramifications on the broader industry of your behaviour out of work
- Consistently promote the GSA's vision, mission and values
- Immediately declare any factors which may affect or be seen to affect your impartiality in doing your job
- Commit to always submitting accurate work and never misleading your employer, your clients or your client's clients
- Work to eradicate unethical business practices
- Be truthful about your skills, qualifications and capabilities

## **Focusing on your broader environment**

- Aspire to work to the highest ethical standards in every aspect of your activities
- Actively encourage people to be treated fairly, equally, with courtesy and respect
- Actively value diversity and challenge inappropriate behavior
- Minimise any negative impact on the physical environment and to encourage a more sustainable way of operating



## THE CORPORATE CODE OF PRACTICE

The Corporate Code of Practice covers corporate commitment to both support and promote the Professional Code of Conduct, acceptance to adhere to organisation-wide behaviours and best practice approaches to all stages of the Global Sourcing Standard, to include relationship management and exit management. This Corporate Code of Practice represents the minimum behaviours and standards expected from a supporting GSA member. The code is intended to be followed by both service providers and users of sourcing services and has been developed as a clear guideline for promoting trust within the sourcing industry. The GSA positively encourages extracts of this Code of Practice to be embedded into contracts.

Supporters of the GSA's Code of Practice commit to the following, generally:

- To promote the GSA's Professional Code of Conduct and require all their employees to personally comply with the Code
- To actively support and assist their employees in complying with the wider Sourcing Industry Code of Conduct

And specifically with regard to sourcing:

- Work to understand goals and demands/drivers/motivations of client, supplier or partner organisations and be sensitive to them to achieve mutually favourable outcomes
- Setting a joint aspiration to work as one team, creating mutual added-value, and not solely working in their own interests
- To have transparency, not commercial sensitivity, as their default position. To disclose as much information relevant to the arrangement as they are able to, within commercial and legal constraints (Refer to GSA's framework for Transparency Principles).
- To commit to the premise that all parties have the right to derive reasonable value from such arrangements and will support other parties in achieving this.
- To recognise the fundamental value of the relationship and clearly commit to managing it in a proactive and effective manner
- Not to wilfully act in a way that will clearly and significantly injure another party's interests
- To appreciate the needs of other parties and to an extent to be mindful of them when considering their own actions
- To manage knowledge in a constructive and collaborative manner to the long-term benefit of all parties
- To commit to managing change effectively using best practice principles
- To be flexible around the specific terms of the contract
- All parties will view the arrangement through a long term lens
- The importance of effective governance will be clearly demonstrated by both parties



- The parties will recognise the importance of people to the success of the arrangement. In particular they will:
  - Maintain effective people management best practice principles and standards
  - Ensure that the competencies of everyone contributing to the arrangement are developed effectively to a high standard (Refer to GSA's Competences and Capabilities Matrix)
  - Effective communication and feedback processes are established across the entire arrangement
- All parties will recognise the requirement and effectively plan for a termination process specific to the arrangement in a manner that aims to mitigate the impact of the entire termination process on all stakeholders to the arrangement should it be invoked
- All parties agree to have a dedicated exit governance model in place beforehand
- All parties should develop policies that allow reasonable exit from the arrangement (as included within the GSA's Global Sourcing Standard)
- Neither party shall seek to gain unfair commercial advantage through the exit process
- All parties to provide appropriate flexibility to mitigate risk for all stakeholders
- All parties to be available to offer services for a reasonable period after migration
- All parties commit to a positive management of the relationship at time of exit
- All parties commit to due consideration for staff involved in the exit process

### **REGISTER OF MEMBERS SIGNED UP TO THE GLOBAL SOURCING INDUSTRY CODE OF CONDUCT**

The GSA will keep and maintain a register of all current individuals and members signed up to the Global Sourcing Industry Code of Conduct. This can be potentially referenced by Buyers of outsourcing for corporate members, or employers/prospective employers where the individual has provided written consent.

The GSA will only confirm whether or not a member is currently on the register. We will not disclose any remedial action or past activity in respect of adherence or otherwise to the code; the purpose of the Register is to incentivise sourcing professionals/organisations to sign up to the Code rather than as a means of penalising them.

### **REVIEWING AND UPDATING THE GLOBAL SOURCING INDUSTRY CODE OF CONDUCT**

Sourcing is a fast changing industry and as such this Code will be regularly reviewed and, when necessary, revised with the agreement of the GSA Standards Advisory Group. At such times, a revised Code of Conduct will be promoted to all members and posted on the GSA website.



## **FAQs**

### **What is the complaints procedure?**

Complaints about an individual or corporate member's non adherence to the Code, or parts thereof, must be made in writing to the GSA at their registered address or via email. Any complaints will be treated confidentially and the GSA agrees not to disclose the origins of the complainant. For the avoidance of any doubt, any complaint submission made must clearly and succinctly state the reason why the member is believed not to be following the Code, providing full supporting testimony.

### **What happens next?**

If the GSA determines there is a case to be reviewed they will approach the member, providing details of the concern. Failure by the member to cooperate with any stage of the review will be deemed non-compliance of the Code.

Once the member has submitted their response in writing, the case will be reviewed by the Standards Advisory Group (or a quorum thereof) and a final decision made. This will fall into two categories

- Complaint Upheld
- Complaint Not Upheld

### **Complaint Upheld**

If a complaint is upheld it means that the behaviour or actions of the member did not reach the standard reasonably expected of a member under either or both of The Sourcing Professional Code of Conduct (for individuals) or The Corporate Code of Practice.

Unless the behaviour or actions are found to be systemic, the remedial action would in all likelihood comprise of the GSA highlighting the issues and then working with the member or organisation to identify actions to address the issues raised. In the unlikely event that supporting member organisations or individuals refuse or are unable to comply with the code they will be required to cease to use the GSA Corporate Code of Practice logo.

### **Complaint Not Upheld**

If a complaint is not upheld, it means that the behaviour or actions of the member was of a standard that could reasonably be expected under either or both of the Codes, or that there was insufficient evidence to merit any remedial action. No further action will be taken in this respect.