



PROFIT

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Model code of ethics

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1. Introduction

The Institute of Business Ethics explains that “business ethics is the application of ethical values to business behaviour. Business ethics is relevant both to the conduct of individuals and to the conduct of the organisation as a whole. It applies to any and all aspects of business conduct, from boardroom strategies and how companies treat their employees and suppliers to sales techniques and accounting practices.”

A code of ethics sets out a company’s expectations of how employees will behave in any business situation. This fact sheet sets out a model code of ethics¹ for use by private companies. Feel free to use this as the basis for developing a code for your own organisation.

2. Preamble

Our company depends for its success on its reputation, integrity, openness and respect for others.

The trust and confidence of those with whom we deal are essential to its success. The protection of our reputation and relationships is of fundamental importance to our long-term sustainability. We recognise our obligations to all those with whom we have a direct relationship – customers, suppliers, staff, shareholders, the private sector in general, government and the wider community.

We require and maintain the highest ethical standards. Board, staff and those acting on our behalf are expected to act according to our ethical principles. Misconduct will not be tolerated. We will ensure staff protection in cases where conforming to the code jeopardises the reaching of financial or other targets.

¹ Adapted from “IBE Illustrative Code of Business Ethics”, Simon Webley and Andrea Werner, Institute for Business Ethics, London, 2008 (For further information, see <http://www.ibe.org.uk/IIIcode08.htm>), though note that they have more recent guidance and examples.

This code sets out our responsibilities towards our stakeholders and specifies how staff, board and other representatives are expected to act. The board and senior management are expected to serve as role models by visibly demonstrating support and by regularly encouraging adherence to the standards.

3. Relationship with stakeholders

Our reputation depends on the way in which we work. It is vital that our stakeholders have confidence in our competence and professional excellence. We will treat our stakeholders with respect, honesty and fairness.

Confidential information relating to our relationship with all stakeholders will be respected. We respect copyright and other intellectual property rights.

Where consultants and other third parties act on our behalf, they will be expected to act in accordance with this code. Wherever possible, the obligation to comply should be incorporated into contracts.

Decisions to hire a consultant or source materials from a particular vendor or supplier are made on the basis of objective criteria such as quality, reliability, technical excellence, price and service. Purchasing decisions must never be made on the basis of personal relationships or the opportunity for personal financial gain. The company undertakes to pay suppliers, subcontractors and agents in accordance with agreed terms.

We will not seek competitive advantage over competitors or other stakeholders other than through the normal working of the market.

Entertainment may only be offered to stakeholders in the course of business provided it is reasonable and modest and neither influences the recipient's objectivity nor could be construed as a means to make the recipient feel obliged to act in accordance with our wishes. No employee shall make any payment, or kickback, or offer improper financial inducement to any government or public official.

The receipt of gifts or favours by staff from stakeholders can give rise to embarrassing situations and may be seen as improper inducement. Gifts and favours must not be solicited. Gifts of money must never be accepted. Reasonable small tokens [below \$20] and hospitality may be accepted provided they do not place the recipient under any obligation,

are not capable of being misconstrued and can be reciprocated at the same level. Any offer of gifts or favours of unusual size or questionable purpose should be reported immediately. Gifts and entertainment that are given or received should be recorded in a gift register.

The company will not knowingly evade tax obligations. The company will record and report all transactions, including those where payment is made in cash. All taxable perquisites to which staff are entitled will be listed and declared for tax purposes.

We are committed to openness and transparency in communicating with stakeholders and seek a constructive relationship with customers, suppliers, staff, the wider private sector, the media, the government and the general public.

4. Relations with employees

We aim to provide a positive, responsible, open and exemplary working environment.

Relations with staff, including secondees and interns, are based on respect for the dignity of the individual and fair treatment for all. We strive to maintain an environment that is based on merit and inclusiveness. The company will recruit and promote staff on the basis of their suitability for the job and organisation's needs without discrimination. We value diversity.

We expect staff to conduct their business activities with colleagues and stakeholders with respect for all and with honesty and courtesy. We will not tolerate harassment or bullying or abuse of staff.

The company will explain the purpose of its activities and individual jobs, foster effective communication and involve employees in improving their work. As far as possible, it will provide staff with opportunities to enhance their skills and capabilities, enabling them to develop fulfilling careers and to maximise their contribution to our organisation.

In recognition of the efforts of the individual in helping to create the success of the organisation, it will maintain a framework of fair and just terms and conditions of employment and remuneration policies and structures. If it is necessary to change these to meet business needs, it will seek agreement in advance.

Organisation time, physical and intellectual property should be used for business purposes only unless permission has been given for other use. The organisation's electronic communication equipment and related services (including email, internet, bulletin boards,

fax machines, file storage) must be protected from unauthorised external access or use. Under no circumstances should they be used for receiving illegal, offensive, obscene or otherwise inappropriate materials.

The company respects staff privacy. We will only collect and retain personal information that is required for the effective operation of the organisation or as required by law. We will keep that information confidential and release it only to those who have a legitimate need to know. Information received by staff in the course of business dealings may not be used for gain for themselves, their families and friends.

No staff may be involved with an activity for personal gain which is in conflict with the company's business interests. Any personal interests or interests of a member of one's immediate family in relation to the company's business must be disclosed. Conflicts of interest may not always be clear-cut, so if you have a question you should consult with your manager. It is your responsibility to take action to declare and resolve any real or apparent conflict.

5. Implementing and monitoring this code

The company's commitment to this code is essential to our success and will be demonstrated through training, enforcement and accountability. Adherence to the provisions of this code is a condition of employment. Managers should ensure that all members of staff receive guidance on ethical behaviour and understand the code and the values that underpin it. They should strive to create an environment that encourages open discussion about ethical concerns. This code is intended as a guide rather than an exhaustive description of the organisation's ethics policies and standards. The organisation aims to create a culture in which it is normal for staff both to 'do the right thing' and to voice genuinely held concerns about behaviour or decisions that they perceive to be unethical.

Staff and board members will be required annually to sign an 'Annual Certificate of Compliance' stating that they have read the code and have taken all reasonable steps to ensure that they and those reporting to them have conducted business responsibly, in compliance with applicable laws, regulations and the code

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