

Example 11: A Code of Ethics

A code of ethics should contain:

- **An Introduction**

The introduction should contain:

- i. The purpose of the code
- ii. The organisation values relevant to the conduct of the business (e.g. integrity, responsibility and reputation)
- iii. The relevance of the code to the organisation
- iv. The leadership responsibilities and commitment in maintaining high standards both within the organisation and with dealings with stakeholders.
- v. A personal endorsement of the code and
- vi. The expectation that the code will be upheld by all in the organisation.

The introduction should be signed by the both the chairperson or Chief Executive Officer.

- **How the code should be used**

This section should describe the code's purpose, relevance, audience and context. It should also describe other supporting documents, tools or sources of support. It may provide a summarised ethical decision making framework. It should describe implementation and reinforcement; the process by which the code is issued and used; means to obtain advice; awareness raising examples (Q & As) and training programmes for all staff.

- **Employees**

This section should describe how the business values employees and include the organisation's policies on:

- i. Working conditions,
- ii. Recruitment,
- iii. Development and training,
- iv. Rewards,
- v. Health, safety & security,
- vi. Equal opportunities,
- vii. Diversity,
- viii. Retirement,
- ix. Redundancy,
- x. Discrimination,
- xi. Harassment,
- xii. Use of company assets by employees.

- **Customer Relations**

This section should describe the importance of customer satisfaction and good faith in all agreements, quality, fair pricing and after-sales service.

- **Shareholders or other providers of money**
This section should describe the protection of investment made in the company. It should also provide a commitment to accurate and timely communication on achievements and prospects.
- **Suppliers**
This section should describe prompt settling of bills. A clear and unambiguous statement that no bribery or excess hospitality accepted or given should be provided.
- **Society or the wider community**
This section should describe:
 - i. Compliance with the spirit of laws as well as the letter.
 - ii. The organisation's obligations to protect and preserve the environment.
 - iii. The involvement of the organisation and its staff in local affairs.
 - iv. The policy on CSR.
- **Assurance, reporting and reviews**
This section should suggest ways of knowing if the code is effective. There should be a report to the board or board committee at least annually and procedures should be in place for reviewing and updating the code.

Key ethical issues that are covered in the code should include:

- i. How the organisation competes
- ii. Zero tolerance for bribery and facilitation payments
- iii. Gifts and entertainment policy
- iv. Conflicts of interest
- v. Related party transactions
- vi. Use of company assets
- vii. Safeguarding important information
- viii. Political involvement and contributions
- ix. The application of human rights standards in the organisation
- x. The environmental responsibilities of the organisation
- xi. Timely payments of suppliers