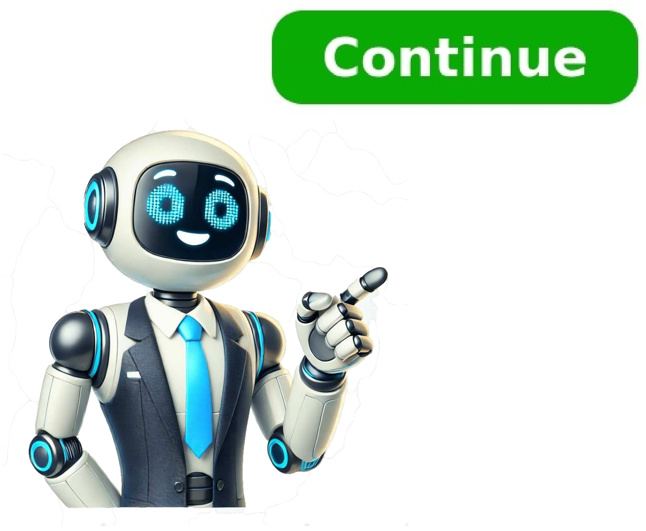
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Create your free account By continuing, you agree to Quizgecko's Terms of Service and Privacy Policy. 100%(4)100% found this document useful (4 votes)9K viewsThis document summarizes the LC Group Code of Business Conduct and Ethics. It addresses topics such as prohibitions on bribery, conflicts of interest, treatment of customers/employees, socia...SaveSave LC of Group Code of Business Conduct and Ethics For Later100%100% found this document useful, undefined In order to continue enjoying our site, we ask that you confirm your identity as a human. Thank you very much for your cooperation. A code of ethics is a set of principles intended to guide professionals in conducting business with honesty and integrity. A code of ethics document may outline the organization's mission and values, guide on addressing problems, establish ethical principles based on the organization's core values, and define the standards to which professionals are held. To evaluate corporate codes of ethics ethically, you must apply universal moral standards like trustworthiness, respect, responsibility, fairness, caring, and citizenship to the stages of content, creation, implementation, and administration. Also called an "ethical code," a code of ethics may encompass areas such as business ethics, professional practices, and employee conduct. A code of ethics outlines an organization's guidelines and best practices for maintaining honesty, integrity, and professionalism.Violating the code of ethics can lead to sanctions, including termination, for organization employees or members.Specific laws regulate business conduct in some industries, including banking and finance, while in others, a code of ethics is voluntarily adopted.The main types of codes of ethics include compliance-based, value-based, and professional codes of ethics.Addressing climate change has become a key component of companies' codes of ethics, highlighting their commitment to sustainability. Joules Garcia / Investopedia Business ethics refers to how ethical principles guide a business's operations. Common issues that fall under the umbrella of business ethics include employer-employee relations, discrimination, environmental issues, bribery, insider trading, and social responsibility. Although many laws establish basic ethical standards for businesses, it's primarily up to business leaders to develop a comprehensive code of ethics. Ethical conduct has been shown to benefit an organization and society in the long term. It aligns with the triple bottom line theory of profit, people, and planet and meets the growing expectations of socially responsible customers, employees, and investors. Businesses and trade organizations usually have a code of ethics that employees or members must follow. Violating this code can lead to termination or dismissal. A code of ethics is crucial because it clearly defines the rules for behavior and offers a basis for preemptive warnings. While a code of ethics is often not required, many firms and organizations adopt one to identify and characterize their business to stakeholders. This can build trust, ensure accountability, and demonstrate a commitment to ethical behavior, all of which can improve a company's reputation and contribute to its success. Given the importance of climate change and the significant impact of human behavior, many companies now include climate factors in their codes of ethics. These principles outline the company's dedication to operating sustainably or their plans to shift toward sustainable practices. Although this commitment to sustainability can increase costs, it often proves worthwhile as consumers increasingly prefer to engage with environmentally responsible businesses, enhancing the company's public image. Regardless of size, businesses count on their management staff to set ethical conduct standards for other employees. When leaders adhere to the code of ethics, universal compliance is expected, with no exceptions. A code of ethics can take various forms. Still, its general goal is to ensure that a business and its employees follow state and federal laws, conduct themselves according to exemplary standards, and benefit all stakeholders. Here are two types of codes of ethics commonly found in business. For all businesses, laws regulate issues such as hiring and safety standards. Compliance-based codes of ethics set guidelines for conduct and determine penalties for violations. Specific laws govern businesses conduct in industries like banking, leading these sectors to adopt compliance-based codes of ethics to enforce regulations. Employees typically undergo formal training to understand these rules. Noncompliance can create legal issues for the company, and individual employees may face penalties for failing to follow guidelines. Some companies appoint a compliance officer to ensure adherence to the code of ethics. This individual stays updated on regulatory changes and monitors employee conduct to encourage conformity. This type of code of ethics is based on clear-cut rules and defined consequences rather than personal behavior monitoring. While it ensures legal compliance, it may not always promote a climate of moral responsibility within a company. A value-based code of ethics addresses a company's core value system, setting standards of responsible conduct that benefit the larger public and the environment. These ethical codes often require more self-regulation than compliance-based codes. Some codes of conduct contain language that addresses both compliance and values. For example, a grocery store chain might create a code prioritizing health and safety regulations over financial gain. Additionally, the code might include a commitment to avoiding suppliers that use hormones in livestock or raise animals in inhumane conditions. Certain professions, such as those in finance or health, have specific laws that mandate codes of ethics and conduct. Certified public accountants (CPAs), who are not typically considered fiduciaries to their clients, still are expected to follow similar ethical standards, such as integrity, objectivity, truthfulness, and avoidance of conflicts of interest, according to the American Institute of Certified Public Accountants (AICPA). Financial advisors registered with the Securities and Exchange Commission (SEC) or a state regulator are bound by a code of ethics known as a fiduciary duty, a legal and ethical obligation requiring them to act in the best interest of their clients. A code of ethics and a code of conduct both set professional standards to guide behavior of an organization's members. However, there are some subtle differences: A code of ethics ensures that members exercise sound judgment. For example, legal codes prevent lawyers from handling conflict-of-interest cases or brokers from trading against clients.A code of conduct, meanwhile, specifies expected employee actions, including norms like punctuality and accuracy. Most companies implement an employee code of conduct to uphold professionalism and minimize workplace friction. Having both a code of ethics and a code of conduct helps ensure that an organization operates with integrity and maintains professionalism with its employees. Organizations create codes of ethics to eliminate unacceptable or immoral behavior among their members, often focusing on existing ethical issues within their industry. The first step is for an organization to identify its priorities and any ethical issues it wishes to avoid. For example, a company might want to prevent conflicts of interest due to past scandals. In that case, its code of ethics might prohibit inappropriate relationships or actions that could lead to a conflict of interest. Many firms and organizations have adopted a code of ethics. One good example comes from the CFA Institute (CFAI), the grantor of the chartered financial analyst (CFA) designation and creator of the CFA exams. CFA charterholders are among the most respected and globally recognized financial professionals. According to the CFAI's website, members of the CFA Institute, including CFA charterholders, and candidates for the CFA designation must adhere to the following Code of Ethics: Act with integrity, competence, diligence, respect, and ethics when dealing with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.Place the integrity of the investment profession and clients' interests above their interests.Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.Practice and encourage others to practice professionally and ethically, which will reflect credit on themselves and the profession.Promote the integrity and viability of the global capital markets for the ultimate benefit of society.Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals. A code of ethics in business is a set of guiding principles to inform how decisions are made across an organization. In this way, it tells employees, customers, business partners, suppliers, or investors about how the company conducts business. Companies will use a code of ethics to state the values they consider important and how these guide their operations. In the accounting profession, five ethical principles guide the industry's code of ethics: integrity, objectivity, professional competence, confidentiality, and professional behavior. A code of ethics for teachers defines the primary responsibilities of a teacher to their students and the role of the teacher in a student's life. The National Education Association outlines the following two principles for education professionals. First, commitment to the student involves guiding students to reach their potential fairly and inclusively. Second, commitment to the profession includes raising professional standards and exercising professional judgment. An example of a code of ethics would be a business that drafts a code outlining all the ways that the business should act with honesty and integrity in its day-to-day operations, from how its employees behave and interact with clients, to the types of individuals it does business with, including suppliers and advertising agencies. A code of ethics is broader in its nature, outlining what is acceptable for the company in terms of integrity and how it operates. A code of conduct is more focused in nature and instructs how a business's employees should act daily and in specific situations, which links these to the values and principles of the organization. A code of ethics is a guiding set of principles intended to instruct professionals to act in a way that aligns with the organization's values and benefits all stakeholders. A business's code of ethics is drafted and tailored to the specific industry at hand, and it requires all business employees to adhere to it. The moral choices of businesses have evolved, from the industrial age to the modern era. In the world we live in today, working conditions, how a business impacts the environment, and how it deals with inequality are all areas that are garnering a greater degree of attention. A code of ethics helps ensure that businesses will act with greater integrity at various levels of the organization. In order to continue enjoying our site, we ask that you confirm your identity as a human. Thank you very much for your cooperation. Business ethics is the moral principles, policies, and values that govern the way companies and individuals engage in business activity. It goes beyond legal requirements to establish a code of conduct that drives employee behavior at all levels and helps build trust between a business and its customers. Business ethics refers to implementing appropriate business policies and practices with regard to arguably controversial subjects. Some issues that come up in a discussion of ethics include corporate governance, insider trading, bribery, discrimination, social responsibility, and fiduciary responsibilities.The law usually sets the tone for business ethics, though doing the bare minimum is generally frowned upon.Developing ethical models and practices can boost a company's revenues, profits, and share price. Investopedia / Katie Kerpel Business ethics ensure that a certain basic level of trust exists between consumers and various forms of market participants with businesses. For example, a portfolio manager must give the same consideration to the portfolios of family members and small individual investors as they do to wealthier clients. These kinds of practices ensure the public receives fair treatment. The concept of business ethics began in the 1960s as corporations became more aware of a rising consumer-based society that showed concerns regarding the environment, social causes, and corporate responsibility. The increased focus on "social issues" was a hallmark of the decade. Since that time, the concept of business ethics has evolved. Business ethics goes beyond just a moral code of right and wrong; it attempts to reconcile what companies must do legally vs. maintaining a competitive advantage over other businesses. Firms display business ethics in several ways. Business ethics ensure a certain level of trust between consumers and corporations, guaranteeing the public fair and equal treatment. There are generally 12 business ethics principles: Leadership: The conscious effort to adopt, integrate, and emulate the other 11 principles to guide decisions and behavior in all aspects of professional and personal life. Accountability: Holding yourself and others responsible for their actions. Commitment to following ethical practices and ensuring others follow ethics guidelines. Integrity: Incorporates other principles—honesty, trustworthiness, and reliability. Someone with integrity consistently does the right thing and strives to hold themselves to a higher standard. Respect for others: To foster ethical behavior and environments in the workplace, respecting others is a critical component. Everyone deserves dignity, privacy, equality, opportunity, compassion, and empathy. Honesty: Truth in all matters is key to fostering an ethical climate. Partial truths, omissions, and under or overstating don't help a business improve its performance. Bad news should be communicated and received in the same manner as good news so that solutions can be developed. Respect for laws: Ethical leadership should include enforcing all local, state, and federal laws. If there is a legal grey area, leaders should err on the side of legality rather than exploiting a gap. Responsibility: Promote ownership within an organization, allow employees to be responsible for their work, and be accountable for yours. Transparency: Stakeholders are people with an interest in a business, such as shareholders, employees, the community a firm operates in, and the family members of the employees. Without divulging trade secrets, companies should ensure information about their financials, price changes, hiring and firing practices, wages and salaries, and promotions are available to those interested in the business's success. Compassion: Employees, the community surrounding a business, business partners, and customers should all be treated with concern for their well-being. Fairness: Everyone should have the same opportunities and be treated the same. If a practice or behavior would make you feel uncomfortable or place personal or corporate benefit in front of equality, common courtesy, and respect, it is likely not fair. Loyalty: Leadership should demonstrate commitment to their employees and the company. Inspiring loyalty in employees and management ensures that they are committed to best practices. Environmental concern: In a world where resources are limited, ecosystems have been damaged by past practices, and the climate is changing, it is of utmost importance to be aware of and concerned about the environmental impacts a business has. All employees should be encouraged to discover and report solutions for practices that can add to damages already done. There are several reasons business ethics are essential for success in modern business. Most importantly, defined ethics programs establish a code of conduct that drives employee behavior—from executives to middle management to the newest and youngest employees. When all employees make ethical decisions, the company establishes a reputation for ethical behavior. Its reputation grows, and it begins to experience the benefits a moral establishment reaps, such as: Brand recognition and growthIncreased ability to negotiateIncreased trust in products and servicesCustomer retention and growthAttracting talentAttracting investors When combined, all these factors affect a business' revenues. Those who fail to set ethical standards and enforce them are doomed to eventually find themselves alongside Enron, Arthur Andersen, Wells Fargo, Lehman Brothers, Bernie Madoff, and many others. What mainly makes a business stand out are its corporate social responsibility practices, transparency and trustworthiness, fairness, and technological practices. Corporate social responsibility (CSR) is the concept of meeting the needs of stakeholders while accounting for the impact meeting those needs has on employees, the environment, society, and the community in which the business operates. Finances and profits are important, but they should be secondary to the welfare of society, customers, and employees. In fact, studies have concluded that corporate governance and ethical practices increase financial performance. A greater focus on business ethics is an expense that tends to pay off. Over time, it boosts revenues and limits damaging lawsuits. It's essential for companies to ensure they are reporting their financial performance in a way that is transparent. This not only applies to required financial reports but all reports in general. Most of these reports outline not only the submitted reports to regulators, but how and why decisions were made, if goals were met, and factors that influenced performance. CEOs write summaries of the company's annual performance and give their outlooks. Press releases are another way companies can be transparent. Events important to investors and customers should be published, regardless of whether it is good or bad news. The growing use of technology of all forms in business operations inherently comes with a need to ensure the technology and information being gathered is used ethically. Additionally, it should ensure that the technology is secured to the utmost of its ability, especially as many businesses store customer information and collect data that those with nefarious intentions can use. A workplace should be inclusive, diverse, and fair for all employees regardless of race, religion, beliefs, age, or identity. A fair work environment is where everyone can grow, be promoted, and become successful in their own way. Fostering an environment of ethical behavior and decision-making takes time and effort and starts at the top. Most companies need to create a code of conduct/ethics, guiding principles, reporting procedures, and training programs to enforce and encourage ethical behavior. Once conduct is defined and programs are implemented, continuous communication with employees becomes vital. Leaders should constantly encourage employees to report concerning behavior. Additionally, there should be assurances that whistle-blowers will not face adversarial actions. A pipeline for anonymous reporting can help businesses identify questionable practices and reassure employees that they will not face any consequences for reporting an issue. To prevent unethical behavior and repair its adverse side effects, companies often look to managers and employees to report any unethical acts they observe or experience. However, barriers within the company culture (such as fear of retaliation for reporting misconduct) can prevent this from happening. Published by the Ethics & Compliance Initiative (ECI), the Global Business Ethics Survey reaches out to thousands of employees in 42 countries about various ethics-related topics, including the strength of the ethics culture in their workplace, whether they have witnessed any misconduct where they work, and if their employer is making efforts to promote integrity. In the 2023 survey, published in May 2024, 65% of the employees surveyed said they had observed at least one act deemed to be a violation of their organization's standards or the law in the past 12 months and 72% of them said they had reported it. Worryingly, 46% of these employees then went on to admit that they had been retaliated against for raising concerns. Indeed, fear of retaliation is one of the primary reasons employees cite for not reporting unethical behavior in the workplace. ECI says companies should work toward improving their corporate culture by reinforcing the idea that reporting suspected misconduct is beneficial to the company. Additionally, they should acknowledge and reward the employee's courage in making the report. Business ethics concerns ethical dilemmas or controversial issues faced by a company. Often, business ethics involve a system of practices and procedures that help build trust with the consumer. On one level, some business ethics are embedded in the law, such as minimum wages, insider trading restrictions, and environmental regulations. On another, business ethics can be influenced by management behavior, with wide-ranging effects across the company. Business ethics guide executives, managers, and employees in their daily actions and decision-making. For example, consider a company that has decided to dump chemical waste that it cannot afford to dispose of properly on a vacant lot it has purchased in the local community. This action has legal, environmental, and social repercussions that can damage a company beyond repair. Business ethics is an evolving topic. Generally, there are about 12 ethical principles: honesty, fairness, leadership, accountability, integrity, compassion, respect, responsibility, loyalty, respect for the law, transparency, and environmental concerns. Business ethics concerns employees, customers, society, the environment, shareholders, and stakeholders. Therefore, every business should develop ethical models and practices that guide employees in their actions and ensure they prioritize the interests and welfare of those the company serves. Doing so creates a positive work environment and builds trust with consumers and business partners, which can all contribute to higher revenues and profits. 1 What is meant by the phrase CSR? A Corporate Social Responsibility B Company Social Responsibility C Corporate Society Responsibility D Company Society Responsibility Answer & Explanation Answer: Corporate Social Responsibility 2 What does Milton Friedman believe to be the sole responsibility of business? A The only social responsibility of business is to its shareholders B Managers should act in ways that balance the interest of society and shareholders C The primary responsibility organizations have is to its employees D The primary responsibility organizations have is to its stakeholders Answer & Explanation Answer: The only social responsibility of business is to its shareholders Advertisement 3 What is the enlightened self-interest model of CSR? A That it is in an organization's own best interest to put itself first rather than its ethics B That it is in an organization's own best interest to consider what a stakeholder would want C That it is in an organization's own best interest to act in an ethical way D That it is in an organization's own best interest to follow the legislation and abide by the law Answer & Explanation Answer: That it is in an organization's own best interest to act in an ethical way Business Ethics – Multiple Choice Questions with Answers | EBook 4 What does the importance of ethical behaviour, integrity and trust all come into question? A The extent to which managers should attempt to change the underlying beliefs and values of individual followers B Who does what C What we do next D None of these Answer & Explanation Answer: The extent to which managers should attempt to change the underlying beliefs and values of individual followers 5 Which of the following would be most effectively act as the primary objective of a business organisation? A To make a profit B To procure resources C To communicate with shareholders D To mediate between the organisation and the environment Answer & Explanation 6 Which of the following does the term Corporate Social Responsibility relate to? A Ethical conduct B Environmental practice C Community investment D All of the above Answer & Explanation 7 What is Ethics to do with? A The wider community B Business C Right and wrong D Nothing Answer & Explanation 8 Which legislation relates to the concept of business ethics? A Freedom of Information Act B Food Act C Building regulations D All of these Answer & Explanation Answer: Freedom of Information Act 9 A stakeholder orientation includes all of the following activities except: A Generating Data About Stakeholder Groups B Assessing The Firm's Effects On Stakeholder Groups C Distributing Stakeholder Information Throughout The Firm D Minimizing The Influence Of Stakeholder Information On The Firm Answer & Explanation Answer: Minimizing The Influence Of Stakeholder Information On The Firm 10 A (n) ________ is a problem, situation, or opportunity requiring an individual, group, or organization to choose among several actions that must be evaluated as right or wrong. A Crisis B Ethical Issue C Indictment D Fraud Answer & Explanation 11 What type of justice exists if employees are being open, honest, and truthful in their communications at work? A Procedural B Distributive C Ethical D Interactional Answer & Explanation 12 Better access to certain markets, differentiation of products, and the sale of pollution-control technology are ways in which better environmental performance can: A Increase Revenue B Increase Costs C Decrease Revenue D Decrease Costs Answer & Explanation 13 Atmospheric issues include all of the following except: A Acid Rain B Global Warming C Air Pollution D Water Quantity Answer & Explanation 14 Most companies begin the process of establishing organizational ethics programs by developing: A Ethics Training Programs B Codes Of Conduct C Ethics Enforcement Mechanisms D Hidden Agendas Answer & Explanation 15 When a firm charges different prices to different groups of customers, it may be accused of: A Cultural Relativism B Money Laundering C Facilitating Payments D Price Discrimination Answer & Explanation Answer: Cultural Relativism 16 Successful global initiatives addressing standards for business must begin and end with: A The role of corporate governance and shareholder power in corporate decision making B social activism C the implementation of standardized ethics programs D the consolidation of economic and environmental efforts Answer & Explanation Answer: The role of corporate governance and shareholder power in corporate decision making 17 The social economy partnership philosophy emphasizes: A Cooperation And Assistance B Profit Maximization C Competition D Restricting Resources And Support Answer & Explanation Answer: Cooperation And Assistance 18 Which of the following is a problem presented by ethics audits? A They may be used to reallocate resources B They identify practices that need improvement C Selecting auditors may be difficult D They may pinpoint problems with stakeholder relationships Answer & Explanation Answer: Selecting auditors may be difficult 19 The first step in the auditing process should be to secure the commitment of: A Employees B Top Executives And Directors C Stockholders D Customers Answer & Explanation Answer: Top Executives And Directors 20 ________ refers to a strategic process involving stakeholder assessment to create long-term relationships with customers, while maintaining, supporting, and enhancing the natural environment. A Eco-strategy B Green marketing C Superfund reauthorization D Recycle and reprocess management Answer & Explanation Connect the dots between your learning and business success with the all-in-one Valamis learning platform. ✔ All-in-one learning platform Say goodbye to juggling multiple platforms with everything you need in one place. ✔ Personalized learning experiences Deliver tailored content based on roles, skills, and learning preferences. ✔ Data-driven insights Track learner progress and business impact with advanced analytics. ✔ Award-winning solution Recognized industry leader and trusted by global teams across industries. Explore the platform A leading financial services company built an active learning culture using Valamis. A consulting firm achieved full compliance with Valamis automation. A public sector customer optimized learning, cutting admin costs significantly. An e-commerce company empowered internal teams to create more training materials. ✔ Real-time sync: Automatically update learning items, ILT/vILT events, curriculums, and assignments. ✔ Seamless experience: Courses and training sync as Valamis lessons with deep links to SuccessFactors. ✔ Smarter growth: AI-driven recommendations and a unified skills taxonomy support career development. ✔ AI-driven L&D performance: Use Valamis generative AI for smarter learning insights. See it in action! Easily train internal teams, resellers, subcontractors, and customers with Valamis. Enjoy accessible learning with multilingual support, custom audiences, and mobile-friendly progress, issue certifications, and unify global and local training needs. Ideal for extended enterprises who want to drive engagement and performance worldwide. Request a quote Jägermeister "We want our Meister Academy to grow with Valamis so that our needs will be met better, faster, and more easily." Read the customer story Adelaide Airport "We needed a single, robust solution that could handle everything from compliance requirements to career development initiatives. Valamis stood out for its history with reputable organizations." Read the customer story Tolletaten, Norwegian Customs "Valamis clearly stood out during the process, showing their capability to match our strict requirements, in particular their ability to provide a customized solution to our needs." Read the customer story City of Helsinki "The Valamis platform offers efficient analytics tools to monitor the increase in learner engagement in our different divisions." Read the customer story Lambda Chi Alpha "The collaboration has brought about a substantial improvement in the fraternity's educational initiatives." Read the customer story Valtech "We needed a platform that's clever and ambitious in terms of the tech. Valamis provides a clear roadmap we can trust instead of mere marketing headlines." Read the customer story We're passionate about learning and collaborating with companies that share our vision for impactful growth. More than just a learning platform, we work to become an extension of your L&D team – helping you to drive real impact and lasting growth with measurable results. Our Customers Keep connecting the dots in your L&D with fresh insights and actionable tips, delivered to your inbox monthly. In order to continue enjoying our site, we ask that you confirm your identity as a human. Thank you very much for your cooperation. Code of conduct and ethics is a vital component for organizations, outlining the values, rules, standards, and principles expected from employees by the employers. Purpose of Code of Conduct & Ethics Code of conduct and ethics serves several key purposes within an organization. One primary purpose is to clearly articulate an organization's mission, values, and principles, ensuring they are linked with professional standards of conduct. By creating a code of conduct and ethics, an organization helps its employees understand the rules and expectations that management sets. This guidance helps define how to act while at work, how to communicate both internally and externally, and assists employees in being successful within their roles and organizations. Another important purpose is to reduce the likelihood of unethical actions by employees. When a code of conduct clearly outlines the consequences of these actions, it protects the company from potential legal issues. A well-implemented code of conduct also sets enforceable rules, communicating expectations and requirements for those within an organization. Consequently, it helps define actions and behaviors that are unacceptable and includes policies related to various aspects such as dress codes, employee interactions, and company property. In summary, the purpose of a code of conduct and ethics is to provide a clear framework for employees to follow, ensuring behaviors align with the company's values and reducing the risk of unethical actions within the organization. Code of Conduct & Ethics: Sample Phrases 1. Integrity: We act with integrity and uphold high ethical standards in all our interactions. We do not compromise our values for personal gain or profit. 2. Honesty: We are truthful and transparent in our communications and dealings with others. We do not engage in any form of deception, fraud, or dishonesty. 3. Responsibility: We take responsibility for the impact of our actions on others and the environment. We do not engage in any behavior that could harm the well-being of others or the planet. 4. Fairness: We treat everyone with fairness. We do not discriminate based on factors such as race, gender, religion, or sexual orientation. 5. Accountability: We hold ourselves accountable for our actions and decisions. We do not shift blame or make excuses for our mistakes. 6. Continuous Improvement: We are committed to continuous learning and improvement. We strive to enhance our skills, knowledge, and abilities to better serve our organization and community. 7. Respect: We value diversity and respect the opinions and beliefs of all members. We do not tolerate discrimination, harassment, or bullying of any kind. 8. Professionalism: We conduct ourselves in a professional manner at all times. We do not engage in any behavior that could harm the reputation of our organization. 9. Confidentiality: We respect the confidentiality of all information shared within the organization. We do not share any confidential information with unauthorized individuals. 10. Accountability: We take responsibility for our actions and decisions. We do not blame others for our mistakes and work to rectify any errors we make. 11. Collaboration: We work collaboratively with others to achieve our goals. We do not engage in any behavior that could undermine the efforts of our team. 12. Safety: We prioritize the safety and well-being of all members. We do not engage in any behavior that could put ourselves or others at risk. Examples of Code of Conduct Code of Conduct: Core Principles A well-rounded code of conduct and ethics should include a set of core principles that serve as the foundation for the organization's ethical guidelines. Let's discuss four key principles: integrity, respect, accountability, and transparency. Integrity Integrity is the practice of being honest and consistently adhering to moral and ethical standards. Organizations can foster a culture of integrity by encouraging employees to: Act in the best interests of the company, its clients, and stakeholders Adhere to all legal and regulatory requirements Report unethical behaviors and potential conflicts of interest Maintain confidentiality when handling sensitive information Respect Respect is a fundamental principle that guides employees to treat others professionally, fairly, and with dignity. This principle can be promoted in a code of conduct by: Emphasizing the importance of diversity and inclusion Encouraging open communication and considering different perspectives Prohibiting harassment, discrimination, and any form of mistreatment Recognizing and valuing individual contributions to the organization Accountability Accountability calls for individuals to take responsibility for their actions and decisions. It is a crucial element in maintaining trust and credibility within an organization. To support accountability, a code of conduct should: Outline the proper protocol for reporting misbehavior or violation of rules Ensure that employees understand their roles and responsibilities Establish clear consequences for breaches of the code Encourage self-assessment and learning from mistakes Transparency Transparency means ensuring open communication and access to accurate information, promoting trust and credibility. It can be incorporated into a code of conduct by: Providing channels for employees to express concerns and ask questions Maintaining clear lines of reporting and information sharing Communicating decisions and the reasoning behind them Being open about the organization's goals, values, and financial performance 70+ Best Core Values Examples for B2C Companies Related: Work Ethic Skills: Strong vs. Weak (Traits and Improvement Tips) Creation of Code of Conduct & Ethics Organization Values When creating a Code of Conduct, it is important to capture the core values that represent the organization's mission, vision, and principles. These values are the foundation of the code and should guide employees' actions and decisions. Related: How to Write Inspiring Core Values? 5 Steps with Examples Scope Defining the scope of the code of conduct helps determine who it applies to and in what situations. It should include all employees, contractors, and partners, making sure that everyone understands their ethical obligations within the organization. It is essential to clarify the code's applicability for activities happening both within and outside the workplace. Expectations The code of conduct should describe the expected behaviors and decision-making criteria to maintain ethical behavior. This includes transparency, integrity, respect for diversity, and compliance with laws and regulations. Disciplinary Measures Defining the disciplinary measures for violations of the code of conduct is an essential part of its effectiveness. The code should clearly outline the process for reporting and handling misconduct, as well as the potential consequences, which can range from reprimands to termination. A robust enforcement mechanism ensures accountability and demonstrates the organization's commitment to upholding its ethical standards. In Lighthouse Services' Step by Step Guide, best practices for enforcement and implementation are discussed. Implementing and Evolving Your Code Developing a comprehensive Code of Conduct & Ethics is merely the first step. Ensuring effective implementation, continuous improvement, and adaptation to changing circumstances are equally crucial. 10+ Mission Statement Examples for Energy & Chemicals Training and Education Providing training sessions, workshops, and practical examples can help employees understand the Code and its implications. Utilize various training methods, such as e-learning, role-plays, or group discussions, to cater to different learning styles. Include regular reminders and refreshers to reinforce the importance of adherence to the Code of Conduct & Ethics. Make sure all new employees receive the necessary training and orientation upon joining the organization. Monitoring and Enforcement Establishing an effective monitoring system is vital in holding employees accountable and ensuring compliance with the Code. Develop a system for reporting violations or concerns, prioritizing confidentiality and anonymity to encourage reporting without fear of retaliation. An organization must also implement mechanisms to investigate reports and take appropriate action, including disciplinary measures or corrective actions, in case of violations. This approach emphasizes that the organization takes the Code seriously and values ethical behavior. Regular Reviews and Updates A static Code of Conduct & Ethics can quickly become outdated as the organization and the broader environment evolve. It is important to review the Code periodically, taking into account changes in legislations, industry standards, or internal organizational developments. Involve employees and stakeholders in the review process, getting their feedback and suggestions to enhance the Code. This collaborative approach not only helps in keeping the Code relevant and robust but also fosters a culture of ethics and inclusiveness. How can financial brands set themselves apart through visual storytelling? Our experts explain how.Learn MoreThe Motorsport Images Collections captures events from 1895 to today's most recent coverage.Discover The CollectionCurated, compelling, and worth your time. Explore our latest gallery of Editors' Picks.Browse Editors' FavoritesHow can financial brands set themselves apart through visual storytelling? Our experts explain how.Learn MoreThe Motorsport Images Collections captures events from 1895 to today's most recent coverage.Discover The CollectionCurated, compelling, and worth your time. Explore our latest gallery of Editors' Picks.Browse Editors' FavoritesHow can financial brands set themselves apart through visual storytelling? Our experts explain how.Learn MoreThe Motorsport Images Collections captures events from 1895 to today's most recent coverage.Discover The CollectionCurated, compelling, and worth your time. Explore our latest gallery of Editors' Picks.Browse Editors' Favorites Listed below are five real-world code of conduct examples from successful companies. Visa Multinational financial services corporation Visa has developed a detailed and wide-reaching code of business conduct and ethics with the slogan: "Integrity. Everyday. Everywhere." Source: usa.visa.com It opens with a letter from the CEO stating the company's commitment to integrity and the need to continually earn the trust of their clients by acting with the highest ethical standards every day. The code of conduct is structured using Visa's six leadership Principles: We lead by example – Be accountable, Treat others with respect, and Demonstrate a passion for our business We communicate openly – Promote a shared vision, Communicate effectively, Value other's perspectives We enable and inspire – Inspire Success, Remove barriers, and Value inclusivity and diversity We excel with partners – Build strong relationships inside and outside of Visa, Provide excellent customer service, and Take a solutions oriented approach We act decisively – Challenge the status quo, Decide quickly, Learn from our mistakes We collaborate – Break down silos, Engage with our colleagues, and Deliver as One Team at One Visa Each section offers essential rules with explanations for implementation, valuable notes, examples, and links to relevant departments and other sources of additional information. Visa's code of business and ethics ends with a comprehensive list of resources to help when staff are unsure what to do in any situation. The list of issues or concerns along with the corresponding contact information is impressive and includes: Confidential compliance hotline Business conduct office Conflict of interest program HR Legal department Anti-tax evasion facilitation compliance Employee assistance program Sony Japanese tech conglomerate Sony has an informative and extensive code of conduct covering many aspects of working at the company. It starts with Sony's purpose and core values, followed by messages from both CEO and Executive Vice President, the second of which poses the question: "Does this contribute to a better future for Sony and a better future for our society?" This question, along with Sony's ethical values of Fairness, Honesty, Integrity, Respect, and Responsibility, form the basis of their code of conduct. From there, the code of conduct is separated into eight areas: Core Principles – Honest and Ethical Business Conduct, Relationship with Stakeholders, Respect for Human Rights, and Appreciating Diversity Fair Labor and Employment Practices – Equal Employment Opportunity/Non-Discrimination, No Forced Labor/Child Labor, Sound Labor and Employment Practices, and Work Environment (Anti-Harassment/Anti-Discrimination/Health & Safety) Responsibility for Products and Services – Product and Service Safety and Accessibility, Advertising and Marketing, and Environmental Conservation Protection of Intellectual Assets – Intellectual Property, Confidential or Proprietary Information, Personal Information, and Information Security Fair Business Practices – Fair Competition, Trade Controls, Fair Procurement, and Anti-Corruption Responsible Business Conduct – Sound Decision Making, Public Disclosure, Recording and Reporting of Information, and Tax Compliance Ethical Personal Conduct – Insider Trading, Personal Conflict of Interest, Corporate Asset, and Media Relations and Public statements Responsibility of Every One of Us – Reporting Concerns and Hotline and No-Retaliation Source: sony.com The code of conduct ends with an explanation of Sony's ethics and compliance hotline. Maintained by a third party, it allows all employees to report concerns regarding breaks in the law or company policies, with the option to remain anonymous. General Motors American automotive company General Motors (GM) have produced a comprehensive yet easy to navigate and understand code of conduct known as "Winning with Integrity." Source: investor.gm.com It begins with an opening message from the chairman and CEO, emphasizing their fundamental commitment to ethical and honest business conduct. Straight after this message is a page dedicated to safety; it places safety for both customers and employees at the heart of everything GM does, noting why this is so critical given the products they make and sell. The code of conduct then introduces GM's purpose: We earn customers for life Our brands inspire passion and loyalty We translate breakthrough technologies into vehicles and experiences that people love We serve and improve the communities in which we live and work around the world We are building the most valued automotive company And core values: Customers Relationships Excellence GM separate the code of conduct into four sections containing related topics: We follow our code We care about others, we put safety first We do what's right We protect our company Each section explains who it applies to, how the code will be enforced, and details the company's expectations of its employees. It also has a recurring feature known as "Which Way?" that answers questions regarding potential situations where the code should guide the employees to the desired outcome. Finally, the code of conduct ends with some closing thoughts, policy links, and a list of additional resources. L'Oreal French cosmetics company L'Oreal has developed an easy to follow code of ethics broken down into four sections: The L'Oreal Spirit Respecting our commitments as a business Respecting our commitments as an employer Respecting our commitments as a responsible corporate citizen "The L'Oreal Spirit" contains forewords by the CEO, Chief Ethics Officer, and the executive committee as a whole stating the commitment of the company to the code of ethics that follows. The remainder of the section contains information regarding who the code is for, how it should be used, how staff should work together, respect for human rights, and local laws and customs. Source: loreal.com "Respecting our commitments as a business" details L'Oreals business practices concerning: Product safety and quality Advertising and marketing Supplier selection and fair treatment of suppliers Fair competition Conflicts of interests Gifts and entertainment Bribery and facilitation payments Confidential information Representing the company Privacy and data protection Use of Company resources Financial and business records and the fight against money laundering Insider trading Tax The final two sections, "Respecting our commitments as an employer" and "Respecting our commitments as a responsible corporate citizen," explain company policy regarding how they treat employees and how they interact with the wider world. Throughout the code, the company lays out its position through clear "We Must" and "We Must Not" lists and provides practical scenarios to demonstrate what they expect from staff. Each section also includes information and suggestions for who to report concerns to for the specific topic. Best Buy US electronics retailer Best Buy titled its code of ethics: "At our best. Every Decision. Every Day." It begins by describing Best Buy's belief that "Magic" can happen when you connect each employee with the company's purpose. Best Buy believes the purpose of a corporation should be to work towards a common good for its: Customers Employees Vendors Shareholders Community And these groups form the structure of the code of ethics with a section explaining Best Buy's responsibilities and policies regarding each of the five. Source: bestbuy.com The code continues with a message from the CEO and an introduction to Best Buys: Purpose: Enrich lives through technology Rallying Cry: Let's talk about what's possibleTM Guiding Behaviors: Be human, Make it real, and Think about tomorrow Values: Unleash the power of our people, Learn from the challenge and change, Show respect, humility, and integrity, and Have fun while being the best The code of ethics makes it clear who it applies to (every employee), what happens if it is violated, and the responsibilities every employee has. It emphasizes Best Buy's expectations from its leaders and provides important details on how staff should raise concerns. In addition, Best Buy provides "What If?" examples throughout the code of ethics to show how it works in practice. How to enforce a code of conduct Designing and writing a code of conduct is great, but for it to have value it needs to be enforced successfully. Tip #1. Disseminating a code of conduct Enforcing a code of conduct starts by disseminating it widely throughout your organization. Need to be aware of the code of conduct to know the organization's values and behave accordingly. The most efficient way of spreading your code of conduct is through the employee handbook distributed during onboarding. In general, the process of orienting new employees is a vital time when the code of conduct needs to be made accessible and clearly explained. Tip #2. Communication channels In order to enforce the code of conduct, you must provide employees with effective communication channels for reporting violations. Managers should develop a safe and honest relationship with staff, so they feel confident discussing matters with them directly. However, you should also provide anonymous channels that protect employees reporting problems. For example, if an employee has an issue with a superior or feels threatened and harassed, they may fear retribution and refrain from coming forward. The option of anonymity offers a level of protection for staff with knowledge of code violations and allows for greater enforcement. Tip #3. Responding to a violation Once a violation has occurred, you must gather as much information as possible from all parties involved to determine the facts, establish the severity of the issue, and respond accordingly. Consider if any laws have been broken and if other parties (police, attorneys, etc.) need to be involved. When enforcing your code of conduct and dealing with violations, you must respond in a way that holds true to the values it contains. If leadership does not live up to the expectations defined for employees, it undermines the code of conduct and reduces morale. Always consider how the wider workforce will receive your response. two businesswomen going through paperwork together in an office gradyreese / E+ / Getty Images While a code of ethics is a set of principles distinguishing right from wrong, a code of conduct is a set of rules that guides behavior. A professional code of conduct outlines appropriate actions for employees or members, as well as the legal consequences of breaking these rules. Your personal code of conduct does the same as a professional code, but doesn't necessarily come with legal sanctions for breaking rules. While a code of conduct is only mandated for public companies, most experts agree that all companies should have a written code of conduct. A good code of conduct in business will be specific and outline the standards by which the entire company is expected to operate. Sections of a comprehensive professional code of conduct include: Company mission Purpose of the code of conduct Compliance with laws or laws relevant to employee or member rights Outline of unacceptable behaviors in the workplace and their consequences Outline of internal practices such as dress code, drug use, or sexual harassment policies Outline of external practices such as confidentiality and conflicts of interest Company and equipment use and protections Outline of code compliance expectations Training requirements and guidelines Job duties and employment benefits Chain of command for disciplinary action Most large companies and organizations share their code of conduct on their website in an effort to be transparent with customers and employees. This helps establish their brand, protect the company, and protect the employees. A simple example of a professional code of conduct is the one shared by Dow Jones. This example is broken down into nine sections, each with a narrative description rather than bullet points or numbering. Sections included in the Dow Jones Code of Conduct, after their mission statement and explanation of the code's purpose, are: Confidential Information Business Relationships and Activities Compliance with Laws, Rules, and Regulations Securities Transactions Political and Civic Activities Books and Records Employment Environmental Concerns Compliance with this Code Social media giant Facebook presents their code of conduct on the investor relations page of their corporate website. This is an example of a highly structured professional code of conduct where each section is numbered and includes additional bullet points for easy reading. The company also includes the date it was last updated and offers a downloadable PDF version. Sections included in the Facebook Code of Conduct are: Introduction Conflicts of Interest Harassment Communications Public Disclosures Financial Integrity and Responsibility Confidential Information Protection of User Data and Personnel Data Protection and Use of Facebook Assets Compliance With Laws Reporting Violations Policy Prohibiting Retaliation Training Amendment and Waivers Hygiene and household product company Colgate-Palmolive has a 49-page full-color code of conduct that's available online in 42 different languages. This example of an extensive code of conduct for a business starts with a message from the president and CEO. Then, it includes three major sections. The parts of the Colgate-Palmolive Code of Conduct are: Our Values and Responsibility: Three sections on values and management Our Relationships: Ten sections detailing specific relationships like those with the board of directors or shareholders Speak Up: One section on reporting concerns This code of conduct utilizes charts, special graphics, and concise lists to make all information accessible to everyone. A personal code of conduct is deeply personal and relates specifically to you, the person writing it. This will be the set of behavior rules you live by, guiding every action you take in life. Try to set behavior standards for yourself that are realistic and flexible. That way, you can actually adhere to them. A personal code of conduct can be written down or it can be something you keep in the back of your mind. Elements of a personal code of conduct might include: How you treat yourself How you treat loved ones How you treat strangers Your expected behavior in professional settings Your expected behavior in intimate settings How you will react to specific ethical dilemmas What behaviors from you are unacceptable in any circumstance How you will hold yourself accountable for different actions Since a personal code of conduct is inherently personal, it can be difficult to find concrete examples. Using examples of morals, start your code of conduct by outlining your personal ethics, morals, and values. Then, assign actions to each of these. This example of a personal code of conduct can be easily altered by anyone. Conduct Toward Myself I will not participate in any drug or tobacco use. I will limit alcohol consumption to no more than 3 drinks in one night. I will choose healthy snacks over processed snacks. I will not put myself down for any reason. I will leave work concerns at work and home concerns at home. Conduct Toward Others I will extend kindness to all others, even when they don't extend it to me. I will take action to help a person in need if I see their need and am capable of making the situation better. I will respect differences of opinion by acknowledging the other person's stance and not pushing their acceptance of mine. Conduct in Difficult Situations In a violent situation, I will only retaliate with violence if I am unable to call for or get to help. If a disagreement turns into a negative argument, I will walk away from the situation. You can use a personal code of conduct template to get started on one of your own. Refer to the Adobe guide to download and print the code of conduct template below. Plug in the expectations you have for yourself. Then, display the code somewhere in your house that you'll see it every day. No matter what type of conduct code you're using, it represents a set of behaviors and consequences. Aligning your actions with a code of conduct not only protects you legally, but creates a standard of behavior for all who adhere to it and sets the tone for your overall image. For more, explore some examples of core values to decide what is most important to you.