

The GoodCorporation Business Ethics Standard

The GoodCorporation Business Ethics Standard defines a framework for the responsible management of any type of organisation. The management practices it sets out can be assessed to determine how responsibly the organisation operates. GoodCorporation uses an independent assessment process that looks at four levels of evidence for each individual practice and assesses them against a five-point scale.

The assessor checks:

that a policy exists
policy documents are reviewed

that a system is in place to implement the policy
systems are examined

that records exist that show that the system works in practice
a sample of records is reviewed

that stakeholders agree that the system works
interviews are held with employees, customers, suppliers, shareholders, community and environmental groups

The assessor awards a grade:

commendation
the policy and system are examples of best practice

merit
the policy and system work well

observation
there is a policy and system that works but potential improvements have been identified

minor non-compliance
there is a policy and system but it is not always working

non-compliance
there is no policy or system, or it has largely broken down

The Standard can be used to identify strengths and weaknesses in an organisation's management practices. It can be used at corporate or subsidiary level and results can be benchmarked against those of peer-group companies. The assessment report provides independent analysis of each practice along with recommendations for improvement. Assessed organisations can also work towards accreditation, which is awarded, subject to the agreement of the independent Accreditation Council, where policies and practices are demonstrated to be working for each area of the Standard.

The GoodCorporation Standard was established in June 2001 and developed in partnership with the Institute of Business Ethics to promote high standards of business practice based on ethical values.

The GoodCorporation Business Ethics Standard

The organisation takes into account the interests of all its stakeholders including employees, customers and suppliers as well as the community and environment in which it operates. The organisation aims to achieve clarity, fairness and effectiveness in the setting of policies and procedures, and it respects human rights as defined by the United Nations Global Compact and the Universal Declaration of Human Rights.

1. Management commitment

- MAN1: Senior management demonstrates commitment to establishing an ethical corporate culture.
- MAN2: Responsibility for social, ethical and environmental issues arising from the organisation's operations is clearly assigned.
- MAN3: Social, ethical and environmental risks and impacts associated with the business are considered as part of the overall risk assessment and are regularly monitored.
- MAN4: Ethical behaviour and integrity are supported by reward structures and sanctions.
- MAN5: There is a process to ensure that conflicts of interest and political connections are declared and managed.
- MAN6: A system is in place that allows both internal and external stakeholders to raise concerns confidentially and ensures adequate follow-up.

2. Employees

- EMP1: Terms and conditions of employment are clear, respected and consistent with internationally accepted human rights standards (including working hours, annual leave, sick pay, parental leave).
- EMP2: There is a policy not to employ child labour or forced, bonded or otherwise exploited labour.
- EMP3: There is a clear disciplinary procedure.
- EMP4: Freedom of association and organisation of employees is respected.
- EMP5: The privacy of employees is respected.
- EMP6: There are processes for protecting, monitoring and promoting employees' safety and security.
- EMP7: There are processes for protecting, monitoring and promoting employees' health and wellbeing.
- EMP8: Employees receive adequate health and safety training.
- EMP9: Employees are treated with respect. Discrimination, harassment or bullying is dealt with robustly.
- EMP10: The organisation promotes diversity and recruits, promotes and rewards employees on the basis of merit alone.

- EMP11: There is a process to ensure that employees are aware of the organisation's responsible business principles and are encouraged to abide by them.
- EMP12: Local costs of living and market rates are taken into consideration when determining remuneration packages.
- EMP13: Employees know how and when their remuneration package is determined and are routinely paid in accordance with agreed terms.
- EMP14: Employees have a performance evaluation, at least annually, which encompasses objectives, skills development and career prospects.
- EMP15: Employees have appropriate training, learning and development opportunities.
- EMP16: Employees are trained on responsible use of IT and social media.
- EMP17: An employee communication and consultation process is in operation.
- EMP18: An employee grievance or complaints process is in operation.
- EMP19: There are processes to ensure that the labour standards set out here are applied equally to agency workers directly managed by the organisation, including migrant labour.
- EMP20: The organisation monitors its service providers to ensure that they protect human rights and promote good labour standards.

3. Customers

- CUS1: Terms of business with customers are clear and respected.
- CUS2: The specification of products and services is clear, including where appropriate, total cost, delivery charges and timescales for delivery.
- CUS3: After-sales commitments or obligations are clearly stated and met.
- CUS4: The personal and confidential information of customers is received with consent, protected and only used in ways explicitly agreed.
- CUS5: Customers' intellectual property (such as copyrights, trademarks, patents or software) is not used without express permission.

- CUS6: There is a policy not to offer, pay, solicit or accept bribes in any form to or from customers either directly or through intermediaries.
- CUS7: The offering of gifts and hospitality to customers is covered by a local policy and is subject to robust controls.
- CUS8: There are controls in place on the setting of prices, discounts, credit terms and sales incentives.
- CUS9: The organisation ensures that none of its advertising, public statements or other information given to customers is misleading or causes public offence.
- CUS10: As appropriate, goods and services have accurate and clear information and labelling.
- CUS11: There are processes to protect the health and safety of customers using the organisation's products and services.
- CUS12: There is a process to protect the interests of vulnerable consumer groups.
- CUS13: The organisation seeks and uses customer feedback.
- CUS14: There is a process for registering and resolving customer complaints and concerns against a defined timescale.

4. Suppliers

- SUP1: There are clear and transparent processes for selecting suppliers and renewing contracts.
- SUP2: A due diligence process enables the ethical risks of suppliers to be identified, assessed and mitigated.
- SUP3: Terms of business with suppliers are clear and respected.
- SUP4: A process is in place to inform suppliers about the organisation's responsible business principles and require them to abide by equivalent principles.
- SUP5: A mechanism is in place to ensure that suppliers operating on the organisation's sites adopt responsible health, safety, security, social and environmental practices.
- SUP6: There is monitoring of and engagement with key suppliers regarding labour standards and human rights in the supply chain.
- SUP7: There is monitoring of and engagement with key suppliers regarding health, safety and environmental standards in the supply chain.
- SUP8: Audit rights are established to ensure that the social, ethical and environmental performance of higher-risk suppliers and their supply chain can be assessed.
- SUP9: There is a policy not to offer, pay, solicit or accept bribes in any form to or from suppliers either directly or indirectly.

- SUP10: The exchanging of gifts and hospitality with suppliers is covered by a local policy and is subject to robust controls.
- SUP11: Suppliers are paid in accordance with agreed terms.
- SUP12: Confidential information received from suppliers is protected and used only in ways explicitly agreed.
- SUP13: Suppliers' intellectual property (such as copyrights, trademarks, patents or software) is not used without express permission.
- SUP14: There is regular and open dialogue with suppliers.

5. Joint venture partners

- PAR1: A due diligence process is in place to enable the ethical risks of potential partners to be identified, assessed and mitigated.
- PAR2: Terms of business with partners are clear and respected.
- PAR3: There is a regular review that provides partners with a clear understanding of the joint venture's operations, risks and finances.
- PAR4: A process is in place to inform all partners about the organisation's responsible business principles; equivalent principles are adopted by the joint venture.
- PAR5: The joint venture has adequate anti-corruption controls.
- PAR6: Confidential information and intellectual property received from partners is protected and used only in ways explicitly agreed.
- PAR7: Audit rights are established to ensure that the social, ethical and environmental performance of the joint venture can be assessed.
- PAR8: Partners' feedback is sought in order to improve the working relationship.

6. Environment

- ENV1: The organisation has a detailed and specific environmental policy.
- ENV2: The organisation identifies and measures its impacts on the environment, both locally and globally.
- ENV3: The organisation monitors, prioritises and reduces its environmental impacts.
- ENV4: Compliance with environmental regulations and industry-specific codes of practice is monitored.
- ENV5: As appropriate, the organisation reports externally on the environmental impacts of its operations.

ENV6: Where relevant, the organisation encourages the responsible use and disposal of its products.

7. Community

COM1: The organisation understands its impacts on the communities in which it operates and has a process to minimise any negative impacts.

COM2: Where relevant, the risks and impacts of land acquisition and population displacement are evaluated and managed.

COM3: There is a process to ensure that risks to public safety resulting from the organisation's products, services and operations are minimised.

COM4: A process is in place to deal with enquiries and complaints from members of local communities in which the organisation operates.

COM5: Where there are concerns about its products, services or operations, the organisation proactively engages with stakeholders in the community.

COM6: There is a process to ensure that any guards or security forces used by the organisation are properly recruited, trained and managed in order to prevent any infringement of the human rights of the neighbouring population.

COM7: There is a programme of support for community projects and activities that is appropriate to the business and the needs of the community.

COM8: As appropriate, the organisation has policies that favour local recruitment and contribute to the development of the communities in which it operates.

COM9: The conduct of public affairs is based on political neutrality and transparency. Any lobbying is conducted responsibly.

COM10: There is a policy that prohibits cash and in-kind payments to political parties, political organisations or their representatives.

COM11: There is a policy not to offer, pay, solicit or accept bribes (including facilitation payments) in any form to or from public officials, either directly or through intermediaries.

COM12: There is a policy to compete fairly and there are processes in place to prevent anti-competitive behaviour.

COM13: As appropriate, effective anti-money laundering processes are in place.

COM14: The organisation works in a constructive way to satisfy the requirements of bodies responsible for regulating its activities.

COM15: The organisation reports publicly and transparently on its tax affairs.

8. Shareholders (or equivalent)

This section is not applicable if the organisation is a wholly owned subsidiary.

SHA1: There is a regular review that provides shareholders (or equivalent) with a clear understanding of the organisation's operations and finances.

SHA2: Relevant material issues are disclosed to shareholders equally and in a timely fashion.

SHA3: The organisation's plans and prospects are documented and available to all concerned.

SHA4: There are procedures to guard against insider trading and communication of inside information.

SHA5: The principles and practices of corporate governance are clearly communicated to shareholders (or equivalent) and variances from any relevant national code of corporate governance justified.

SHA6: A process is in place to deal with queries and complaints regarding corporate governance from shareholders.