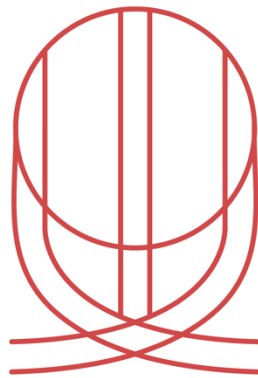


# **GUIDE TO GOOD ETHICAL BEHAVIOUR**



**Institute of Chartered Entrepreneurs**

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## 1. DEFINITIONS

- 1.1 **Board** means the board of Directors of IoCE as appointed and/or elected from time to time;
- 1.2 **Code** means the Code of Professional Conduct of IoCE, as approved by the Board and which may be reviewed and amended from time to time;
- 1.3 **Directors** refers to the Directors of IoCE from time to time, and "Director" shall have a corresponding meaning;
- 1.4 **Guide** means the Guide to Good Ethical Behaviour and Member's Pledge of IoCE, as approved by the Board and which may be reviewed and amended from time to time;
- 1.5 **IoCE** means the Institute of Chartered Entrepreneurs, a non-profit company established in accordance with laws of the Republic of South Africa;
- 1.6 **Members** mean the members of IoCE from time to time, which include natural persons, profit companies, non-profit companies, business associations, trusts, or partnerships, that have been approved as members of IoCE, and who pay the requisite membership fee. "**Member**" and "**Membership**" shall have corresponding meanings; and
- 1.7 **Parties** mean Members as well as the employees, interns, contractors, representatives, and volunteers of IoCE and any other person affiliated to IoCE, and "**Party**" shall have a corresponding meaning.

## 2. PREAMBLE

- 2.1 The IoCE is a non-profit company established as a professional development, examining, and awarding body for entrepreneurs, startups, and SMEs. IoCE is formulated on a set of ethical principles distilled from the most successful systems and ideas in the domains of business management, corporate governance, and sustainable small enterprise development.
- 2.2 IoCE enhances the credibility and sustainability of entrepreneurs, startups, and SMEs by providing the requisite skills and competencies to conduct ethical and sustainable businesses. According to the King IV Report on Corporate Governance, "*the governing body should govern the ethics of an organisation in a way that supports the establishment of an ethical culture*" and IoCE subscribes to this.
- 2.3 "Ethical leadership is exemplified by integrity, competence, responsibility, accountability, fairness and transparency." All Parties must be guided by and adhere to the standards set out in the Guide and act in accordance with the principles in all dealings with the IoCE.

## 3. APPROACH AND INTERPRETATION OF THE GUIDE

- 3.1 The Guide is not a set of rules but a practical resource that provides a blueprint for ethical decisions and actions. The Guide sets out the standards of conduct expected by Parties, which standards are in line with the guiding principles of fairness, honesty, integrity, and openness.
- 3.2 All Parties are expected to carry on their respective businesses and conduct their duties to the best of their abilities, use IoCE resources and assets for the purpose intended; safeguard sensitive and confidential

information; perform duties in accordance with all applicable laws and loCE policies, procedures and rules in place from time to time, and live and exemplify a culture of ethical conduct.

- 3.3 This Guide is not a complete guide to every ethical or legal issue that may be encountered. Therefore, questions about how this Guide applies to certain situations, or whether a particular action will be in compliance with the Guide, are encouraged. Questions should be asked if Parties are unsure of their responsibilities.
- 3.4 All Parties are expected to use good judgement, maintain high ethical standards and have regard to loCE's values when conducting their respective business activities.
- 3.5 If in doubt, the Parties should speak to a member loCE management and should also ask themselves the following questions, which may help to guide them in their actions:
  - 3.5.1 Will the conduct considered reflect the intent and purport of this Guide and applicable laws and regulations, even with benefit in hindsight?
  - 3.5.2 Is the conduct considered appropriate, ethical, and honest? In other words, does it "feel" right?
  - 3.5.3 Would you be comfortable with the conduct being known to the public?
  - 3.5.4 Would most individuals see the action as being appropriate, ethical, and honest, and would someone be comfortable defending it in front of colleagues or a court of law?
- 3.6 If the answer to any of these questions is "no" and/or remains unanswered, then the contemplated conduct should not be undertaken without further guidance from loCE and/or the relevant industry bodies.

#### **4. APPLICATION AND SCOPE**

- 4.1 The Guide is applicable to all Parties no matter where they are located.
- 4.2 Parties have the responsibility to read, understand and comply with this Guide, as well as to report any unethical behaviour inconsistent with this Guide.
- 4.3 loCE will conduct investigations into all ethical concerns or complaints that are brought to their attention. These investigations shall be conducted with an appropriate level of effort and resources.
- 4.4 loCE may, depending on the outcome of its investigation into complaints brought to them, take the appropriate action to address the situation.

#### **5. CHARACTERISTICS OF ETHICAL BEHAVIOUR**

- 5.1 As a Member of loCE, you are expected to conduct yourself in an ethical manner to foster a culture of ethical entrepreneurship and to further the objectives of loCE.
- 5.2 Set out below are the loCE's characteristics of ethical behavior. These characteristics are interconnected and therefore cannot be effectively implemented in the absence of any.

### 5.3 Integrity

- 5.3.1 Integrity requires that Parties always act in good faith, which means to engage honestly in dealings which comply with the law, regulations, and loCE's policies, rules, and procedures, including this Guide.
- 5.3.2 Integrity is a characteristic that is fundamental to professional recognition. This is the quality from which the public derives its trust in a professional organization, and it is a benchmark against which a Party must test all of his/her decisions.
- 5.3.3 Parties must avoid actual and/or perceived conflicts of interest, and report and combat any conflicts of interest, suspected conflicts of interest or otherwise any other unethical behavior. When you comply with these actions, you become a trustworthy person, which will ultimately strengthen your dealings and relationships with others.
- 5.3.4 Attributes related to integrity include, but are not limited to, respect, good faith, honest communication, reliability, patience, and flexibility.
- 5.3.5 While integrity can accommodate the unintentional error and honest difference of opinion; it cannot accommodate deceit, dishonesty, breach of principle, law, or regulation.
- 5.3.6 Integrity is measured by what is right and just. There is no prescribed no rules or regulations on how to act with integrity. As a guideline, Parties should test their proposed decisions and/or actions by asking:
- 5.3.6.1 Is this something that a reasonable person of integrity would do?
  - 5.3.6.2 If I do this, will I objectively retain my integrity?
  - 5.3.6.3 Would I be able to, in good faith, defend my decision and/or action?
- 5.3.7 Integrity requires a Party to observe all ethical standards and to not derogate from them in the exercise of judgment. Therefore, regardless of service or capacity, Parties should protect the integrity of their work, maintain objectivity, and avoid the exercise of judgment that circumvent any ethical standard.

### 5.4 Honesty

- 5.4.1 Honesty directly relates to acting with integrity and in good faith. It requires truthfulness in one's actions and interactions with others.
- 5.4.2 Parties must convey the truth in a respectful manner, even when faced with difficult or challenging circumstances.
- 5.4.3 Parties are to relay their performance, achievements, and issues both honestly and accurately.
- 5.4.4 Parties are to ensure that they deliver on their promises to the highest standard possible. Importantly, Parties are to communicate and manage expectations accordingly - if promises

cannot be delivered on by the time, or to the standard, agreed upon, this should be timeously communicated.

5.4.5 A work culture of honesty fosters growth within a company as it allows for credit be given where it is due, while also welcoming constructive criticism which enables the business and its people to learn, grow and improve.

5.4.6 Communicating with honesty will create an efficient working environment and a reliable, trustworthy team.

## 5.5 **Public interest**

5.5.1 Parties commit themselves to honor the public trust.

5.5.2 Parties accept the obligation to act in a way that will serve the public interest, honor the public trust, and demonstrate a commitment to professionalism.

5.5.3 Parties are expected to discharge their responsibilities with integrity, objectivity, due professional care, skill, and diligence, and with a genuine interest in serving the public.

5.5.4 Parties are to provide quality services and/or goods in the manner that demonstrates high standards of professionalism consistent with the principles set out in this Guide and their respective business industries.

5.5.5 Service and the public trust should not be hindered by personal gain and/or advantage.

## 5.6 **Responsibility**

5.6.1 In carrying out their responsibility as professionals, Parties should exercise sensitive professional and moral judgements in all their respective activities.

5.6.2 Parties, as professionals, have an essential role in our society. Consistent with that role, Parties have responsibilities to all those who use their respective professional services and/or utilize their respective products. Parties also have a perpetual responsibility to cooperate with each other and to hold each other accountable, maintain the public's confidence and conduct themselves in a manner that promotes self-governance and accountability.

5.6.3 Being a responsible Party means that you conduct yourself in a professional manner in all your decisions and dealings, and you take accountability for your conduct. Embracing this value entails accepting ownership for one's decisions and actions. It is noted that responsibility and accountability are directly related.

5.6.4 The collective efforts of all Parties are required to establish, maintain, and enhance ethical professional conduct in the various business sectors.

## 5.7 **Accountability**

5.7.1 By taking responsibility for your actions and particularly your mistakes, you are accountable. At times it can be difficult or might seem embarrassing to admit when you are wrong, but it is important

to remember that through taking responsibility, you will learn and develop. This will also foster a culture of transparency, honesty, and trust.

5.7.2 Parties are expected to own their decisions and actions, and to bear the consequences where necessary.

5.7.3 Accountability promotes a shift from being held to account by someone else, which can create a culture of fear or blame, towards a culture of self-accountability whereby people acknowledge their actions and the impact of thereof.

5.7.4 Creating a culture of accountability within a company will enable people to acknowledge their successes and failures without shame, which will inevitably lead to personal growth and eventual growth for the company too.

5.7.5 This culture of accountability also allows for the establishment of strong and positive business relationships as it indicates that the individual follows through on commitments but also manages expectations when there have been shortcomings or errors.

## 5.8 **Fairness**

5.8.1 Fairness refers to the equal treatment of all Parties.

5.8.2 All Parties should be afforded the same opportunities and privileges as appropriate, while acknowledging that each Party has individual traits and nuances and that differences may not necessarily mean unfairness.

5.8.3 Parties must ensure that they are impartial and fair in their actions and interactions.

5.8.4 Fairness establishes an equal playing field for Members and creates a culture of respect towards each other.

5.8.5 Entering interactions with the understanding that everyone is on an equal playing field will facilitate more meaningful and impactful interactions.

## 5.9 **Transparency**

5.9.1 Transparency requires a full and honest account of all facts and information in relation to dealings and interactions. This means that Parties must act in a manner that is open and honest.

5.9.2 Parties are expected to communicate openly with loCE in relation to any challenges they face, as well as any of their shortfalls or mistakes without fear of reprisal, as this will foster a relationship of accountability, trust and confidence.

5.9.3 Parties must remain transparent in their business interactions and dealings to ensure that they are trustworthy and reliable. In this regard, transparency is interconnected with honesty and accountability.



5.9.4 Remaining transparent in dealings and interactions cultivates honest and reliable relations. It further enables relationships to be built on trust and accountability, which will result in stronger and longer-lasting relations.

5.9.5 Transparency enables good and accountable governance, which will be beneficial for Parties in their respective business dealings and endeavors.

## 6. GUIDELINES FOR MAKING ETHICAL DECISIONS

6.1 When faced with difficult and complex decisions, the lines often become blurred. The general point of departure would be to allow the principles above to guide you in your decision. In the event that the best decision is still unclear, the steps below can provide clarity and guidance:

6.1.1 Assess the situation for potential risks and ensure you are considering all possible information available.

6.1.2 Ensure that the decision is consistent with the law, the Constitution, and any applicable regulations.

6.1.3 Consider whether your decision will be in line with the values and philosophy of IoCE.

6.1.4 Consider whether your decision compromises or contradicts any of the above ethical behavior guidelines.

6.1.5 Consider the alternative actions and the potential outcomes of each.

6.1.6 Reach out to IoCE and/or fellow Members for support and/or guidance.

## 7. REPORTING A CONCERN

7.1 Where possible, Parties should attempt to resolve ethical issues internally before reporting them to IoCE. However, in certain situations where a resolution is not possible, Parties may report the issue/s to the Ethics Committee established by the Board.

7.2 Parties are further encouraged to report any and all suspected and/or actual non-compliance with this Guide in terms of clause 9 of the Code and/or the Whistleblower Guide.

## 8. REVIEW OF THE CODE

The [insert committee by the Board] of the Board shall review and evaluate this Guide from time to time as it may determine, and reserves the right to vary, amend or revoke this Guide in its sole discretion.

## 9. NO RIGHTS CREATED

This Guide is a guideline, it is not intended to be a set of binding rules. Further, the Guide and does not in any way constitute an employment contract or an assurance of continued employment or create any rights in any Member, customer, client, supplier, competitor, shareholder, or any other person or entity.