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A theoretical model of code of ethics conceptualized from companies' public disclosures on ethics

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Abstract: Codes of ethics encompass companies' vision on business conduct and ethics in relation with its stakeholders. Presenting a code of ethics is rather a voluntarily process, therefore a large amount of heterogeneity is found among such codes. A general model of code of ethics would be a necessarily instrument because it would deliver some starting guidance for companies willing to present an ethical code of their own. Therefore, this paper aims to conceptualize a general and synthetic model of code of ethics starting from companies' disclosures on ethics. The content analysis of 19 codes of ethics and conduct presented by the major companies in France and UK allowed us to conceptualize a theoretical model of code of ethics which is focused on specific categories of stakeholders: capital owners (shareholders and investors), management, employees, customers, suppliers and subcontractors, governments, communities and the environment.

Keywords: Code of ethics, general model of code of ethics, content analysis, European companies, comparative studies

JEL codes: M41

1. Introduction

What is immediately discovered when entering the business ethics field is that illegal and unethical activity by corporate agents has the potential to have a significant negative impact on the welfare of society (Schwartz, 2001). A series of

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unethical public relations practices has gradually degraded the credibility, value, and image of the field (Ki & Kim, 2010). Codes of conduct, ethical codes, or guidelines for behaviour appear to be a clearly visible sign that an organisation is aware of the need for ethical behaviour and requires a commitment to such behaviour from its workforce (O'Dwyer & Madden, 2006). Codes are part of larger social systems, and their language and form are constrained and enabled by social structures (Canary & Jennings, 2008).

Having these thoughts in mind, our aim is to create a synthetic model of code of ethics, which could be considered a first step in guiding the companies, which are to be found in a process of designing an ethical code of their own. The novelty of this research is threefold: firstly, this model is extracted and conceptualized in a theoretical, normative manner from the companies' public disclosures on ethics. Having its roots grounded in the current reality of the companies, this ethical code model has three main advantages: (1) it avoids the inflexibility and the hardness of a pure theoretical model, which only with great difficulty would be able to anticipate all the possibilities and the implications on ethics that could arise in practice, (2) it is very adaptive on every company profile, no matter the type, size, activity sector etc., because this model creates a fundament that can ulterior be adjusted in accordance with the specifications of every company in question, and (3) considering the fact that this model can be tailored on every company profile, it has no negative impact on the originality of the designed codes of ethics. Every code which is created from this general model evolves naturally in accordance with companies' specific features and desired expectations, thus creating the premises of variability among codes. Secondly, the novelty of this research comes from the analyzing method of the content of code of ethics. We content analyzed the code of ethics of the sample companies and we targeted the corporate policies, practices, and attitudes towards ethics in accordance with the category of the interested stakeholder, thus, we conceptualize an ethical code model which is stakeholder-oriented rather than company-oriented. Thirdly, the novelty of this research comes from the practical implications that this study has on companies, as a similar study does not exist in the previous literature.

The first part of this research is dedicated to the concept of the code of ethics, with emphasis on the definition, the implementation at company level with arguments in favour of and against adoption of such codes, and a discussion about the effectiveness of such codes in having impact on employees' behaviour. The second part of this research is dedicated to the methodological aspects, sample selection, and content analysis of corporate public disclosures on ethics to conceptualize a model of code of ethics. Finally, we present the conclusions regarding the corporate codes of ethics.

2. The concept of code of ethics

2.1. What is a code of ethics?

Codes governing transnational companies' activities in foreign countries were first introduced 30 years ago, as global production began to expand (Esbenshade, 2004). Literature has provided many definitions for corporate codes of ethics: it is a distinct and formal document which defines the ethical standards of an organization (Peterson & Krings, 2009), the prescriptions developed by and for a company to guide present and future behaviour on multiple issues of its managers and employees toward one another, the company, external stakeholders and/or society in general (Kaptein & Schwartz, 2008), the principles and rules of conduct that govern inter-organizational and intra-organizational practices and relations (Stohl *et al.*, 2009), the responsibilities of the corporation towards its stakeholders and/or the conduct the corporation expects of employees (Kaptein, 2004), and the moral standards used to guide employee or corporate behaviour (Schwartz, 2001). Thus, to summarize, a corporate code of ethics is “a statement setting down corporate principles, ethics, and rules of conduct, codes of practice, or company philosophy concerning responsibility to employees, shareholders, consumers, the environment or any other aspects of society external to the company” (Caracscio & Singh, 2003). In addition to providing a statement of ethical principles and perhaps creating a desired impression, corporate codes of ethics and conduct have also a predominantly legal focus (Canary & Jennings, 2008).

However, confusion still exists on the precise nature of a code of ethics (Kaptein & Schwartz, 2008). This confusion is, among other things, created by the different names that are used to refer to it, such as: code of ethics (Schwartz, 2001), code of conduct (Yu, 2008), code of practice (Spence & Lozano, 2000), corporate credo (Murphy, 2005), corporate philosophy (Melé *et al.*, 2006), corporate ethics statement (Chua & Rahman, 2011), business principles (Scherer & Smid, 2000), mission statements (Bart *et al.*, 2001), or values statements (Urbany, 2005). Regardless of their title, however, codes tend to have a similar purpose – to articulate the ethical principles and practices valued by the organization (Canary & Jennings, 2008).

A code of ethics is thought to enhance corporate reputation and brand image (Caracscio & Singh, 2003). It clarifies the objectives the company pursues, the norms and values it upholds and what it can be held accountable for (Kaptein, 2004). A corporate code of ethics can help to create cohesive corporate culture and provide a mechanism for a corporation to operationalize its values. It helps to build a sense of community among the company's employees whether they work at one or several locations (Caracscio & Singh, 2003). As statements of ethics or laws, codes can be viewed as discursive instantiations of structures involving the

meaning of ethical principles, social and organizational norms of behaviour, and structures that constrain and enable the use of authority (Canary & Jennings, 2008). Such codes are voluntary expressions of commitment, made to influence or control business behaviour for the benefit of the firm itself (e.g. to enhance company reputation or to minimise risk of criminal or civil sanctions), and of the communities in which it operates. Often the codes describe how the firm intends to implement its commitments (Gordon & Miyake, 2001). Over time, codes of ethics have become the norm for the public companies (Chua & Rahman, 2011).

They are designed to deter wrongdoing and to promote the ethical conduct of firm managers and directors (Forster *et al.*, 2009). A code aims to reduce the occurrence of incidents, to improve the extent to which stakeholder expectations are realized, to boost stakeholder confidence in the company and to encourage the authorities to relax regulations and controls (Kaptein, 2004). A code of ethics serves the purpose of signalling to shareholders and the media that a company is committed to ethical behaviour so that in times of crisis, when a company is accused of unethical behaviour, that will be seen as the exception, not the rule. It can help organizations avoid fines, sanctions, and litigation (Caracso & Singh, 2003). Codes of ethics can save organizations in case of lawsuits and also serve as a good marketing, recruiting, and public relation tool, but their main goal is to influence employee behaviour (Petersen & Krings, 2009).

At the moment present, the codes of ethics address the “third generation” of corporate responsibility. Unlike first generation ethics, which focus on the legal context of corporate behaviour, and second generation ethics, which locate corporate responsibility to groups directly associated with the corporation, the third generation ethics transcend the profit motive and intra-organizational dynamics. Third generation ethics are grounded in responsibilities to the larger interconnected environment. These normative expectations represent a new global ethic (Stohl *et al.*, 2009).

2.2. Why to implement a code of ethics?

The relationship between a firm’s decisions and ethics generates, for the firm itself, the need to define its own line of conduct and its own moral behaviour, which should be translated into a formal document, the code of ethics (Lugli *et al.*, 2009). Codes of ethics have shown an initial prominence in the United States, but have spread over the last few decades to other parts of the world (Preuss, 2010). In recent years, in Europe, Australia and the USA, there has been a large increase in the number of corporations choosing to adopt an ethical code (Adam & Rachman-Moore, 2004). Today 58% of the world’s largest 100 companies have such a document in place (Kaptein, 2004). Although the publication of a code usually

signals the intention of an organisation to implement the document, commitment does not necessarily translate into implementation (Preuss, 2010).

Companies use codes for a number of reasons (Schwartz, 2001). These reasons can be divided into two main groups, and seek to evaluate the real commitment of companies towards ethics. Thus, there are reasons with a positive intrinsic value applicable for those companies which promote an ethical conduct to improve the existing relations with companies' stakeholders, and where ethics is seen as an objective that is incorporated in the corporate strategy, and reasons with a negative intrinsic value which are applicable to those companies where ethics is seen as a flashy way to conceal the primary objective of profits grow.

(a) Reasons with positive intrinsic value

From an internal corporate perspective, establishing a code can be seen as an attempt to institutionalize the morals and values of the company founders in such a way that they become part of the corporate culture and help socialize new individuals into that culture (Adams *et al.*, 2001). Also, a code can motivate employees, guide participants in a particular dimension and place limits on the power of managers (Lozano, 2001). Thus, it can reduce the inconsistencies in the behaviour of organizational members (Preuss, 2010). From an external perspective, a code can be seen as an attempt to over-rule the existing legislation in different countries as to create a common compass to measure the ethical behaviour of the employees in different cultures (Robertson & Fadil, 1998) which also implicates the avoidance of legal consequences and the promotion of a good public image (Schwartz, 2001). Also, Lozano (2001) considers that a code can help to determine more precisely the social responsibility of a company, with benefits on the entire economy itself. As a conclusive argument, the implementation of a code is seen as a good managerial practice with respect to both internal and external stakeholders (Adam & Rachman-Moore, 2004).

(b) Reasons with negative intrinsic value

In an organizational setting, decisions are always influenced by multiple factors. Thus, codes of ethics are rarely the sole factor influencing employment decisions. Ethical decision making, in particular, is not only influenced by formal rules, but also by what others say is right (Petersen & Krings, 2009). The actions of top management often define what is actually deemed acceptable regardless of the values expressed in a written statement (McCraw *et al.*, 2009). Some business managers establish an ethical code of conduct for the sake of appearance and for its utilitarian value in deflecting criticism and enquiry into their unethical practices (Adam & Rachman-Moore, 2004). Also, some of the companies establish a code of ethics to diminish the sanctions in case of non-compliance with law (Canary &

Jennings, 2008). Lere and Gaumnitz (2003) note in their review of previous studies that often there are only vague references to ethics in codes, but lengthy lists of laws and compliance requirements.

In the process of implementing an ethical code of conduct, a business organization may use different methods which can be grouped into three categories: formal, informal and personal. Formal methods, which encompass training, courses on the subject of ethics, means of enforcement, conferences, and ethics offices, possess the disadvantage that they bear massive costs for the organizations (Adam & Rachman-Moore, 2004). Canary and Jennings (2008) also emphasize the importance of codes of ethics as modes of formal organizational discourse. Informal methods include the example set by a manager (role modelling) and the social norms of the organization. Mechanisms of informal control may include a social dimension through which superiors regulate the behaviour of subordinates, or employees regulate the behaviour of their peers through daily interaction in compliance with the enterprise's norms or values (Belak *et al.*, 2010). The personal method encompasses controls that lie with the individual, rather than the organization, e.g., individuals' personal ethical standards. Personal control has been conceptualized as an individual's belief that he or she can effect change in the organizational environment (Laufer & Robertson, 1997). A study conducted by Adam and Rachman-Moore (2004) shows that these latter two methods of code implementation, i.e. informal and personal, have a great impact on the employees' commitment towards ethics. The informal methods are likely to yield greater commitment with respect to employee attitudes and the personal control method, e.g. employee's personal values differ significantly from all the other methods in that it yields the highest degree of "personal ethical commitment" and the lowest degree of "employees' commitment to organizational values". As a concluding argument, the implementation of a code of ethics must be integrated into the company's management system and business practices, especially with regard to profit margins, prices, and deadlines (Ascoly *et al.*, 2001). Thus, to achieve the optimal effectiveness level of business by ethical behaviour, the initiated measures of business ethics should never be implemented as isolated tools, but only in the frame of a full and complete ethics program (Belak *et al.*, 2010).

2.3. Effectiveness of codes of ethics: the impact on conduct

Despite the prevalence of ethics codes in large organizations, there is relatively little empirical evidence regarding the effectiveness of codes of ethics on perceptions and behaviour in organizations, or even of individuals' understanding of the content of such codes (Adams *et al.*, 2001), and this research produced some conflicting results. Kaptein and Schwartz (2008) found that, from 79 empirical studies that examined the effectiveness of business codes, 35% showed that codes are effective, 16% showed that the relationship is weak, 33% showed that there is

no significant relationship and 14% presented mixed results. Only one study found that business codes could be counterproductive. Schwartz (2001) considers that the mixing results in research in effectiveness of codes of ethics are part of the methodology used and the focus of the research. In a similar manner, Messikomer and Cirka (2010) note that there is a broad consensus that the existence of a code does not reveal anything about why it was developed or whether it is effective.

At the negative pole, and despite the fact that many scholars of business ethics teach that business ethics is good for business, to the extent that codes of ethics are indicators of business ethics (Donker *et al.*, 2008), the literature is abundant with studies that suggest the codes of ethics are inefficient and have no impact on the employees' and managers' conduct. Business corporations spend enormous funds on a range of formal methods used in the process of ethical code of conduct implementation. Yet, unethical business practices on a large scale are still committed, even by business corporations that have adopted an ethical code of conduct and established it by formal methods in their corporations. Enron and WorldCom are the most recent examples (Adam & Rachman-Moore, 2004). In a similar manner, McKendall *et al.* (2002) suggest in their study conducted on 108 large corporations that ethical compliance programs did not lessen legal violations, and moreover, the ethics programs may serve as window dressing to deflect attention and or culpability resulting from illegal actions. Kaptein and Schwartz (2008) also note that the chance of a code of ethics to be ineffective increases significantly if the code lacks of clear objectives. Cleek & Leonard (1998) found in their survey-based study that corporate codes of ethics are not influential in determining a person's ethical decision-making behaviour. In a similar manner, Donker *et al.* (2008) suggest that most codes do not have an impact if the individual is already going to act in a manner consistent with the code, that is, the code directs an ethical choice that the individual would already make.

At the positive pole, literature also contains studies that clearly suggest that codes of ethics are effective instruments for influencing behaviour. Wood and Rimmer (2003) suggest that the development of a code of ethics is a tangible sign that a company is thinking about business ethics. Also, Stevens (2008) conducted a vast review on corporate ethical codes studies published starting with year 2000 and concluded that codes can be effective instruments for shaping ethical behaviour and guiding employee decision-making. She also considers that culture and effective communication are key components to a code's success and this success is also influenced if the code is embedded in the organizational culture and has the support of the managers. In a different study, Stevens (1999) also notes that codes are successful when employees intuitively know what to do and act accordingly, and also when codes reflect ideals in which people believe. Adams *et al.* (2001) show in a study based on interviews collected from 766 respondents that the mere existence of a corporate code of ethics affects both employees' ethical behaviour

and perceptions of ethics. Respondents who worked for companies having a code of ethics judged subordinates, co-workers, themselves and especially supervisors and top managers to be more ethical than respondents employed in organizations not having a formal code of ethics. In a study on the relationship between codes, employee behaviour, and organizational values, Somers (2001) found that the presence of codes was associated with less perceived wrongdoing in organizations, but not with an increased propensity to report observable unethical behaviour.

As these studies demonstrate, the debate on the effectiveness of the codes of ethics encompasses many interesting reasons to adopt, or, at the opposite site, to reject the adoption of such a code in the organization. We consider that such a paradigm has major implications in the existence of one company, and a simple counting of arguments found in the literature which are in favour of and against, is not, therefore, suitable and apparent. A code of ethics is, in fact, an instrument which encompasses the moral establishment of an ethical behaviour in one company. Having such a complex nature, the content of a code of ethics has a tremendous importance. A code of ethics should reflect the corporate ethical values, general accepted principles – like those encompassed in the UN Universal Declaration of Human Rights – and other policies which are specific to the respective company. Considering the importance of the content of such codes, our next sections are dedicated to the conceptualizing of a model of a corporate code of ethics which is extracted from the corporate public disclosures on ethics, and therefore, it can be applicable at the company level as a starting point in the designing of the specific code of ethics for the company in question.

3. Sample selection and methodology

The empirical contribution of this paper to the existing literature aims to offer a practical code of ethics model applicable at the company level. This model is intended to offer a primary source of guidance for companies in their process of designing their own corporate code of ethics. This model creates a general structure which can be applied at company level and further developed to meet the companies' specific issues on ethics. The originality of this research is that this model of codes of ethics is derived from the reality of the existing companies. A very important attribute of this original model is that it is stakeholder-oriented and can be applied in the context of the existence of different international models of corporate governance (Feleagă *et al.*, 2010). The demarche for the construction of such a code of ethics model was as follows: in the first step, we extracted a representative sample of 19 European companies; in the second step, we content analysed their public corporate code of ethics to extract the primary data which consists of corporate policies and attitudes promoted by every company in the sample regarding specific ethical issues; in step three, we synthesize the vast

material obtained in the former step and classified it in the light of the stakeholder theory; and in the fourth step, we obtained the model of code of ethics, which contains the specific corporate policies for every category of stakeholder involved: capital owners (shareholders and investors), management, employees, customers, suppliers and subcontractors, governments, communities and the environment.

To design a model of code of ethics, a representative sample of companies was needed. We considered two selection criteria: the activity sector and the geographical area. Regarding the first selection criteria, the activity sector, we used the instrument offered by Euroland.com to select the major company for every listed activity sector, ranked by market capitalization indicator at 31st December 2008. Our interest in these companies is to consult their public code of ethics or conduct. Companies may choose among three methods to make their codes publicly available: (1) file as an exhibit; (2) give the website address where it is posted; or (3) include a statement that the company will provide a copy of its code to any person upon request without charge (McCraw *et al.*, 2009). We then checked the corporate website to locate the code of ethics or conduct and collected 19 codes of ethics or conduct. As Preuss (2010) states, the study of documents displayed on corporate websites is a valid research method, as the vast majority of such documents are made publically available. Where the code was presented in more than one language, we selected the code version published in English language. English was chosen for several reasons. It is the dominant language of the Internet and several studies suggest that English is the lingua franca of global business (Stohl *et al.*, 2009). Two companies did not exhibit a code of ethics or conduct on the corporate website and did not respond to an inquiry email sent to request a copy of such a document; this being the case, they were eliminated from the initial sample.

Thus, our final sample consists of the major 19 European companies corresponding to 19 from a total of 21 activity sectors: Aerospace & defence, Mining & metals, Entertainment & leisure, Diversified services, Health & pharmaceuticals, Banks, Oil & gas, Retail, Consumer products – food, beverages, Telecom, Chemicals, Insurance, Utilities, Consumer products – non-food, Autos & transport equipment, IT Information technology, Real estate, Construction & materials and Media (Euroland's denominations). Regarding the second selection criteria, geographical area, our sample reflects the two European countries that are well-known in the existing literature for their opposite paradigmatic accounting tradition: the United Kingdom and France. Thus, we have a balanced sample of 10 British companies and 9 France companies. A detailed image of the final sample is found in Table 1.

Table 1. Final sample companies, grouped by country and activity sector

No.	Share	Country	Activity sector
1.	BAE Systems (LSE)	London	Aerospace & defence
2.	BHP Billiton (LSE)	London	Mining & metals
3.	Compass Group (LSE)	London	Entertainment & leisure
4.	Experian (LSE)	London	Diversified services
5.	GlaxoSmithKline (LSE)	London	Health & pharmaceuticals
6.	HSBC Holdings (LSE)	London	Banks
7.	Royal Dutch Shell (LSE)	London	Oil & gas
8.	Tesco (LSE)	London	Retail
9.	Unilever (LSE)	London	Consumer products – food, beverages
10.	Vodafone Group (LSE)	London	Telecom
11.	Air Liquide (PSE)	Paris	Chemicals
12.	Axa (PSE)	Paris	Insurance
13.	GDF SUEZ (PSE)	Paris	Utilities
14.	L'Oreal (PSE)	Paris	Consumer products – non-food
15.	Renault (PSE)	Paris	Autos & transport equipment
16.	STMicroelectronics (PSE)	Paris	IT, Information technology
17.	Unibail-Rodamco (PSE)	Paris	Real estate
18.	Vinci (PSE)	Paris	Construction & materials
19.	Vivendi (PSE)	Paris	Media

Note: LSE – London Stock Exchange; PSE – Paris Stock Exchange

In accordance with the ideas found in the existing literature, the confusion generated by the different names of the codes of ethics or conduct is found also in the codes presented by our final sample companies. Thus, only 53% of the companies entitled their codes with the classical denomination “Code of ethics” or/and “Code of conduct”. The rest of 47% companies, have chosen different names to present their codes, e.g.: Employee guide to business conduct (GlaxoSmithKline), Ethical code of conduct (HSBC Holdings), General business principles (Royal Dutch Shell), Code of business principles (Unilever), Guidelines “Ethics in practice” (GDF SUEZ), Code of good conduct (Renault), Our principles (STMicroelectronics), Compliance Program (Vivendi), Commitments (AXA) etc. As mentioned earlier, the fact that the titles differ is less important, what really matters is the fact that these documents present the ethical principles and practices valued by the organization (Canary & Jennings, 2008).

The next step in our demarche was to content analyze the corporate codes of ethics for the target sample companies. A vast material that consists of companies' ethical principles, policies, practices, and attitudes towards ethics was obtained. In accordance with Preuss methodology (2009), the content analysis counted the frequency of an item being mentioned, rather than attempting to measure the degree to which it was discussed. The simple counting of items was selected because, as Wood (2000) states, the amount of space devoted to an item within the code may not necessarily correlate with the importance that the company attaches to it because it could be a result of the difficulty in expressing that concept.

The vast material obtained needed further analysis and synthesis to conceptualize a model of code of ethics. Our goal was to conceptualize a model of code of ethics addressed primary to companies' stakeholders. The notion that an organization should concern itself with stakeholders other than shareholders has gained acceptance in academia and among practitioners (McKinney *et al.*, 2010), because ethical breaches by business agents can have disastrous effects on the business itself, its stockholders, employees, customers, and potentially on both the domestic and global economies. Also, the labour conditions and human rights, along with environmental practices have assumed a place of prominence for global stakeholders (Logsdon & Wood, 2005). Considering the importance that these categories have in an organization, our model of code of ethics is directly addressed to the stakeholders. Thus, we content analyzed the codes of ethics, and we classified the specific policies, practices and attitudes on ethics focusing primary on the interest of the different categories of stakeholders in organizations, and secondly on the interest of organization itself. Such a view has not been found in other studies related to the code of ethics content. In most of the cases, the content of codes of ethics is analyzed *per se*, rather than *per quod*, being company-oriented, with no rationalizing on why some policies are specified, and who are addressed to. In such a manner, Carasco and Singh (2003) analyzed the content of codes on seven broad categories: (1) conduct on behalf of the organization, (2) conduct against the organization, (3) integrity of the books and records, (4) the basis of the code, (5) reference to specific laws and to government agencies, (6) internal and external compliance or enforcement practices (codes mentioning enforcement/compliance procedures, penalties for noncompliance, and illegal behaviours), and (7) general information. A different study conducted by Lugli *et al.* (2009) analyze the content of codes based on different categories: (1) explicit function of the code as stated, (2) general principles, (3) social values, (4) relations with third parties, (5) rules of conduct, (6) implementation, (7) sanctions, and (8) regulations. Preuss (2009) considered the following categories for content analysis: (1) reasoning for drawing an ethical sourcing code, (2) CSR issues in supply chains, (3) values and principles promoted in the supply chain, and (4) code implementation.

Our study suggests a different and original view for content analyzing codes of ethics, i.e. the content analysis is stakeholder-oriented, rather than organization-oriented, as our goal is to create a model of code of ethics which is primary focused on company's relations with its stakeholders.

4. Results: the construction of a code of ethics model

In accordance to Merriam-Webster (1994), a model is defined as a structural design, pattern of something to be made, and a system of postulates, data, and inferences presented as a description of an entity. In accordance to this definition, our aim is to design a structural scheme of a code of ethics in compliance with stakeholder theory. This model can be perceived as a first step for companies to be guided in designing of their own code of ethics.

By promoting a model of code of ethics, an inner limitation may arise due to a probable increased level of commonality that could be registered among codes of ethics presented by different companies. Regarding the level of commonality, Forster *et al.* (2009) notes that ethics codes do, and should, vary from company to company. However, Canary & Jennings (2008), acknowledging the fact that corporations operate within social systems that are often the same or similar to those of other organizations, suggest that it is expected that codes could contain certain common features as instantiations of larger social structures. Using textual analysis techniques, Forster, Loughran & McDonald (2009) found also substantial levels of common sentences used by the firms across the documents. Our model addresses this level of commonality among codes of ethics that is generated by the certain common features found in larger social and economic structures. The originality of every code of ethics is not therefore affected, as this is a result of the specific features and the uniqueness of every single company. As Canary & Jennings (2008) note, a code of ethics is a form of organizational discourse that contains the corporate values, processes, and the structures of one company.

4.1. Stakeholder mapping on code of ethics model

Walker *et al.* (2008) consider that stakeholder mapping relates to analysing stakeholders, to map their interest and, through understanding them, to be able to design a new way to manipulate power, access and influence in some way. In this view, our code of ethics model is focused on the next categories of stakeholders: capital owners (shareholders and investors), management, employees, customers, suppliers and subcontractors, governments, communities and the environment. In the following section, we present the ethics policies promoted by the companies in their codes of ethics, classified by the interested groups of the stakeholders, and some extracts from the companies' codes of ethics to exemplify how the respective

ethics policy is implemented in practice. Our model of code of ethics presents 94 general ethical items which can be considered by companies when designing their own code of ethics. These ethical items are grouped as following: capital owners (5 items), management (8 items), employees (36 items), customers (6 items), suppliers and subcontractors (9 items), governments (12 items), communities (6 items), and the environment (12 items). These ethical items are not intended to be perceived as an exhaustive list, but a first step of guidance. Companies may evaluate every stakeholder category and every ethical item presented, and decides whether the item applies to company's profile. If this is the case, the company may consult the examples extracted from target sample companies' codes of ethics to understand how the item was former implemented in a practical manner. The companies should reflect the ethical item in their own way when creating the code and the presented examples should not affect the originality of the designed codes of ethics. Also, if one ethical item does not apply on the company's profile, it should be ignored. The companies may add their own ethical policies regarding stakeholders, as this model is not intended to capture the entire range of possible ethical policies.

4.1.1. Capital owners (shareholders and investors)

Given their overarching nature, codes of ethics tend to address a wide range of issues, from an emphasis on shareholder value through quality products to relationships with government and policies on charitable donations (Preuss, 2010). Traditional expectations for corporate behaviour remain strong. Executives are expected to increase shareholder value, provide "smooth" earnings growth, and attain ever-higher levels of innovation to forestall competitive attacks to their lucrative markets (Logsdon & Wood, 2005).

Capital owners (shareholders, and investors) were identified as companies' stakeholders in 89% of the analyzed codes of ethics. General policies which could be mentioned when designing a code of ethics regarding the capital owners are presented in Table 2 with a detail on the item's occurrences in the code of ethics of the target sample companies. The ethical policies most promoted by companies are *Insider trading* (79%) and *Reporting performance of the company* (42%). At the opposite pole, the ethical policies less mentioned are *Business conduct and engagement* (21%) and *Communication with capital owners* (11%). These distributions of frequencies show that companies have a powerful orientation towards obtaining profits.

Table 2. Policies on ethics regarding capital owners (shareholders and investors)

Ethics Policy	%	Author/Company		Details
[1] Insider trading	79	Cleek & Leonard, 1998		<ul style="list-style-type: none"> Insider trading in the stock market is characterized as the buying or selling of shares on the basis of information known only by the trader or few persons. The Securities and Exchange Commission has decreed that most forms of insider trading are illegal, yet newspapers abound with stories of such scandals.
		Air Liquide (PSE)		<ul style="list-style-type: none"> Any employee with information that could influence the Stock Exchange price share must keep this confidential and must not undertake, or recommend that a third party undertake any operations on Group shares.
[2] Reporting performance of the company	42	BHP (LSE)	Billiton	<ul style="list-style-type: none"> BHP will immediately make public any information or major development related to its business which either a reasonable person would expect to have a material effect on the share price or a reasonable investor is likely to use as part of the basis for making investment decisions. Public disclosures must only be made by authorised spokespersons.
[3] Rate of profit returns	26	Compass (LSE)	Group	<ul style="list-style-type: none"> Group aims to generate an attractive rate of return on a long-term basis, through the responsible use of assets entrusted.
[4] Business conduct and engagement	21	GDF Suez (PSE)		<ul style="list-style-type: none"> As well as applying the rules set by the financial regulatory authorities, the Group is also committed to equality in the treatment of its shareholders and makes it a point of honour to provide swift, accurate, transparent, genuine and verifiable financial information.

A theoretical model of code of ethics conceptualized from companies' public disclosures on ethics

[5]	Communication with capital owners	11	AXA (PSE)	<ul style="list-style-type: none"> Efforts are made to provide individual and institutional shareholders with relevant information pertaining to AXA's strategy, financial structure and performance (within the bounds of commercial confidentiality), as well as to its business lines, the markets in which it operates, executive compensation and other key issues.
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Note: LSE – London Stock Exchange; PSE – Paris Stock Exchange

4.1.2. Management

As stated above, the mere presence of a code may be an indication that management places some value on ethical behaviour; that moral considerations may have a place in the organization's functioning, and that consequences, positive and/or negative, may be attached to the ethical dimensions of organizational behaviour (Adams *et al.*, 2001). Thus, training managers in “management ethics” may contribute to their skills and perhaps to their performance as a role model in this respect (Adam & Rachman-Moore, 2004). Most of the times, codes mention that it is the task of managers to monitor compliance and conduct reviews (Gordon & Miyake, 2001).

Management was considered to be a distinct category of the companies' stakeholders in 74% among the target sample companies. The companies' codes contain specific policies on ethics regarding the management conduct, compliance, responsibility and attitude on specific issues, which are presented in *Table 3*. Also, a detail of items' frequency is presented, as it appears in the analyzed codes of ethics. The ethical policies with the higher frequency are *Providing training and resources* (68%) and *Promoting ethical conduct / Role-models* (47%). These findings suggest that the managers are perceived as the most important pillar on ethical conduct, and managers should be aware about their influence on ethics. The following policies can be considered as general specifications regarding the management to start designing a code of ethics for a specific company.

Table 3. Policies on ethics regarding management

Ethics Policy	%	Author/Company	Details
[6] Compliance with the code	42	GDF Suez (PSE)	<ul style="list-style-type: none"> The impetus behind GDF Suez's ethical commitment comes from the highest level of the Group: Chairman, Chief Executive Officer, the Board and Committees.
[7] Providing training and resources	68	Royal Dutch Shell (LSE)	<ul style="list-style-type: none"> Employees have the responsibility to accept personal invitations to training on the topics highlighted in the code of ethics presented by Royal Dutch Shell.
		Tesco (LSE)	<ul style="list-style-type: none"> Managers must ensure that employees understand that business performance is never more important than ethical conduct.
[8] Promoting ethical conduct / Role-models	47	Belak et al., 2010	<ul style="list-style-type: none"> Managers have a strong impact on the behaviour of their employees. This informal measure is labelled "the example set by the manager", which is part of the formation of manager-subordinate relationships. The example set by the manager may be the tool advocated by the enterprise philosophy. "The role model" is also one of the roles that managers are expected to perform, since they can set the example for "proper and desirable behaviour" for their employee to imitate.
		GlaxoSmithKline (LSE)	<ul style="list-style-type: none"> Senior management has the additional responsibility of serving as role models for the business principles, by visibly demonstrating support and regularly encouraging managers' adherence to our mentioned standards.

A theoretical model of code of ethics conceptualized from companies' public disclosures on ethics

		Tesco (LSE)	<ul style="list-style-type: none"> Employees who supervise others have an important responsibility to lead by example and maintain the highest standards of behaviour.
[9] Responsibility for staff compliance	26	Unilever (LSE)	<ul style="list-style-type: none"> The Unilever Board is responsible for ensuring the principles are applied throughout Unilever.
		Vinci (PSE)	<ul style="list-style-type: none"> The performance of each member of the Vinci Group's management staff will be assessed in terms of the extent to which the team he or she heads complies with the ethical rules.
[10] Listening to employees' concerns	32	BAE Systems (LSE)	<ul style="list-style-type: none"> The company commits that its leaders will listen to concerns that employees have about business conduct and support them in expressing those concerns.
[11] Taking action on retaliation	37	GlaxoSmithKline (LSE)	<ul style="list-style-type: none"> GSK will take disciplinary action up to and including termination for anyone who threatens or engages in retaliation, retribution, or harassment of any other person who has reported or is considering reporting a concern in good faith.
		Tesco (LSE)	<ul style="list-style-type: none"> When supervising others, the managers should create an environment where employees understand their responsibilities and feel comfortable raising issues and concerns without fear of retaliation. If an issue is raised, the manager must take prompt action to address the concerns and correct problems that arise.
[12] Taking actions to address business conduct issues	21	BHP Billiton (LSE)	<ul style="list-style-type: none"> Managers are responsible for taking or recommending appropriate actions to address business ethics and conduct issues.

		Vodafone (LSE)	<ul style="list-style-type: none"> Vodafone expects its leaders to establish controls and monitor performance for the area they manage.
[13] Establishing internal processes to address risks areas	26	BHP Billiton (LSE)	<ul style="list-style-type: none"> Establishing internal processes that address risk areas in relation to business conduct and ensuring that actual or potential breaches are appropriately investigated and handled.

Note: LSE – London Stock Exchange; PSE – Paris Stock Exchange

4.1.3. Employees

The codes are often addressed to employees, as much as to the general public (Gordon & Miyake, 2001) because, as Donker *et al.* (2008) note, corporate reputation regarding ethical behaviour of management and employees can have an important impact on economic corporate performance.

All the 19 companies in our target sample pointed employees to be an extremely important stakeholder. The following *Table 4* shows the ethical policies companies promote regarding their employees. A further detail on the items' frequencies is also presented. In accordance with Singh (2006) who content analyzed a number of 80 codes of ethics, we found that a greater number of the codes are concerned with conduct against the firm – *Conflict of interest* (89%), *Property of assets* (79%), *Confidentiality corporate information* (74%) – than with conduct on behalf of the firm. *Diversity and discrimination* obtained 100% among different ethics policies regarding employees. An interesting appearance in this list of ethical policies is *Conduct outside the workplace / Maintain company's reputation* (16%). This suggests that companies demand a total commitment of their employees, even outside the working hours and the work environment. Although less frequent, some companies promote ethical policies directly addressed to the wellbeing of their employees: *Wage ensure decent living standards* (16%) and *Balance between personal and professional life* (5%).

Table 4. Policies on ethics regarding the employees

Ethics Policy	%	Author/Company	Details
[14] Compliance with the code of ethics	74	BHP Billiton (LSE)	<ul style="list-style-type: none"> All employees must adhere to the principles and requirements contained in the code and take reasonable steps to ensure that other individuals or groups that conduct business on behalf of BHP Billiton, including contractors, agents and consultants, do likewise.

A theoretical model of code of ethics conceptualized from companies' public disclosures on ethics

[15] Disciplinary actions in case of compliance failure	68	GlaxoSmithKline (LSE)	<ul style="list-style-type: none"> • GSK corporate policies apply to employees at all levels in the company and will be enforced regardless of the employee's position. Failure by any employee to comply with any GSK policy will subject the employee – including supervisors who ignore or fail to detect misconduct or who have knowledge of the conduct and fail to correct it – to disciplinary action up to and including termination from employment. Breaches of law may also result in civil or criminal penalties for the individual employee.
[16] Confidentially corporate information	74	Vodafone (LSE)	<ul style="list-style-type: none"> • All employees have a duty to protect Vodafone's confidential information. Confidential information can include legal agreements, technical specifications, business information and any other information which is unlikely to be publicly known and has commercial value. Vodafone has created a standard to help classify information for the appropriate audience.
[17] Conflict of interest	89	Ki & Kim, 2010 GDF Suez (PSE)	<ul style="list-style-type: none"> • An organization's ethics code can be used to resolve ethical conflicts of interest. • A conflict of interests is a situation in which the judgment of a person who is acting in a professional capacity may be excessively influenced by a secondary interest, distinct from that of the company. This is the case, for example, when an employee finds him or herself in a situation where they might take a decision not on the grounds of their company's interests, but of their own interests, or those of a relative or friend. If in doubt, employees are advised to check with their line manager that there

			<p>is no conflict of interests. This advice is pertinent if the employee or someone close to the employee, have interests in a company or body that is a client, competitor or supplier of the company; if the employee is engaged in a professional activity outside the company; if the employee has responsibilities in non-profit bodies or communities that are clients of a Group entity, he/she is advised to abstain from voting on matters pertaining to the Group entities.</p>
[18] Property of assets	79	BAE Systems (LSE)	<ul style="list-style-type: none"> • IT equipment and telephones are intended to be used only for business operations. The company may monitor the use of its IT and communications facilities by employees to ensure compliance with company policies on usage of such assets. Employees should be aware that the company will have a record of any activity or transaction undertaken on a company computer.
[19] Personal use of company assets	53	Vinci (PSE)	<ul style="list-style-type: none"> • Personal use of Group's assets is authorised only within reasonable limits where warranted as part of work-life balance and where necessary. Use of these systems and networks for illegal purposes, notably to transmit messages of a racial, sexual or harassing nature, is prohibited. Every employee shall refrain from making illegal copies of software used by the Group and from making unauthorised use of such software to be used in their personal use or else.
[20] Timely record all transactions	74	GDF Suez (PSE)	<ul style="list-style-type: none"> • It is generally advisable to document the main steps leading up to a decision or initiative for which an entity or an employee may be potentially liable, so that these steps may be traced later if

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				required. This may apply to any document used to establish scientific, technical, administrative, accounting or financial results. The documents that the Group establish, as well as those archived, must accurately reflect the facts, places and dates of which they are a record.
[21] Alcohol, tobacco and drug abuse	26	BHP Billiton (LSE)		<ul style="list-style-type: none"> • In line with Group's commitment to providing a safe and healthy work environment, while at work or when conducting company business, BHP Billiton employees must be able to function at an acceptable level of performance and not be impaired by illegal or legal drugs, including alcohol. As a general rule BHP Billiton prohibits smoking in all its buildings, except the in designated smoking areas to prevent passive smoking.
[22] Gifts and hospitality	79	Royal Dutch Shell (LSE)		<ul style="list-style-type: none"> • Gifts and hospitality (G&H) must never influence the business decisions and must not place the employees or Shell under any obligation. Shell discourages its employees from accepting or offering G&H from business partners. Any employee or his/her family members must never in connection with Shell business offer, give, seek or accept: illegal or inappropriate G&H, cash or cash equivalents, personal services, loans, items that exceed prescribed value limits, unless line manager approval has been obtained. These value limits are listed on website. Employees must register all G&H given or received, and must understand that local customs cannot be followed if they conflict with Shell's policies.

[23] Fraud	42	GlaxoSmithKline (LSE)	<ul style="list-style-type: none"> • The legal definition of fraud varies from country to country, but generally Fraud is seen to be the dishonest obtaining or diversion of company property or services, including company funds or other tangible assets, by making any misrepresentation or false statement with a view to personal gain or obtaining a benefit for a third party, or to cause loss to the company. A culture of honesty, integrity and fraud prevention and detection must be emphasized through the whole of GSK. The first principle in developing an anti-fraud culture throughout the company is for managers to lead by example.
[24] Contact with media	47	Vinci (PSE)	<ul style="list-style-type: none"> • Since Vinci is a listed company, any communication addressed to the media may affect its image and must be carefully prepared. Relations with the media, investors, financial analysts and public institutions are the responsibility of general management and the communications and investor relations departments.
[25] Conduct outside the workplace / Maintain company's reputation	16	Vodafone (LSE)	<ul style="list-style-type: none"> • Employees should not make reference to their employment or connections with Vodafone in any personal communication in a way that could be interpreted, even by mistake, as a comment or endorsement by Vodafone. When using social networking or similar sites in a personal capacity, the employee should use common sense – if he/she would not say something in the real world he/she should not say it in the online world.
		Experian (LSE)	<ul style="list-style-type: none"> • Employees should protect Experian's reputation.

A theoretical model of code of ethics conceptualized from companies' public disclosures on ethics

		Unibail-Rodamco (PSE)	<ul style="list-style-type: none"> As long as a person is employed by the Group, she/he should act with loyalty vis-à-vis the Group and refrain from causing prejudice through denigration or criticism.
[26] Travel and entertainment	11	GlaxoSmithKline (LSE)	<ul style="list-style-type: none"> The company will reimburse the reasonable costs of travel for staff provided the travel is for purposes that are principally business related. To that effect, the invitation of spouses to travel to the location of a business meeting at the company's expense is generally incompatible with the business purpose of the meeting and is not permitted without prior written approval.
[27] Communication	32	Compass Group (LSE)	<ul style="list-style-type: none"> The Group aims to foster effective communication to enable all employees to perform their work effectively. This will include encouraging and helping employees to develop relevant skills to progress their careers.
[28] Speaking up	63	Vodafone (LSE)	<ul style="list-style-type: none"> If the employees don't feel comfortable talking to the line manager or an internal team, there is the 'Whistle blowing Procedure' where the employees can report an incident anonymously.
[29] Equal opportunities	68	STMicroelectronics (PSE)	<ul style="list-style-type: none"> Recruitment, remuneration, opportunities for development and promotion must be based entirely on a fair assessment of ability and performance at every level no matter gender, religion etc.
[30] Diversity and discrimination	100	L'Oreal (PSE)	<ul style="list-style-type: none"> Direct discrimination means any action taken with regard to jobs, training, promotions, continued employment or any other aspect of working life which means those affected do not enjoy equal treatment or opportunities. Indirect discrimination is any action which, while apparently neutral, puts anyone with a

			particular gender, age, disability or other characteristic compared to others.
[31] Recruitment based on qualifications	74	BAE Systems (LSE)	<ul style="list-style-type: none"> BAE Systems aims to create an inclusive environment where the recruitment, employment and development of people are based on qualifications, skills and competency to do the job.
[32] Fair and just rewards	68	Compass Group (LSE)	<ul style="list-style-type: none"> Compass Group operates fair and just remuneration policies.
[33] Encouraging employees shareholding	5	Vinci (PSE)	<ul style="list-style-type: none"> Vinci encourages employee shareholding and individual remuneration and incentives by placing emphasis on the individual responsibilities and performance of each employee through systems tailored to the context and the legislation of each country.
[34] Develop employees' capabilities	37	STMicroelectronics (PSE)	<ul style="list-style-type: none"> The Group will behave with openness, trust and simplicity; it will be ready to share the knowledge, encourage everyone's contribution, and develop people through empowerment, teamwork and training. The Group will develop individuals and teams through empowerment and continuous learning so that the employees have the opportunity to fulfil their potential and improve their competences and qualification.
[35] Employer ability to make work meaningful	11	AXA (PSE)	<ul style="list-style-type: none"> For many years, AXA's Human Resources (HR) practices have been guided by a concern for the professional fulfilment of every one of its employees. This sense of fulfilment comes from respect for individuals as human beings, as well as from personal motivation, which depends in part on the employer's ability to make work meaningful and challenging and to reward individuals on the basis of merit.

A theoretical model of code of ethics conceptualized from companies' public disclosures on ethics

			STMicroelectronics (PSE)	<ul style="list-style-type: none"> • The Group will maintain an environment where employees feel proud to belong to and valued for their contribution.
[36] Survey to establish employee satisfaction	5		AXA (PSE)	<ul style="list-style-type: none"> • Since 1993, AXA has been using the Scope survey to measure employee satisfaction with the quality of their work environment and management. Feedback is provided to all levels of management - the Group, the company and the work unit, with the aim of promoting dialogue between managers and employees. Action plans drawn up by each company on the basis of the Scope survey results seek to improve workplace efficiency and the quality of the work environment.
[37] Health and safety	95		BHP Billiton (LSE)	<ul style="list-style-type: none"> • Group's priority is to ensure that all the people – regardless of where they work or what they do – return home safely and well at the end of working day. They should not undertake work unless trained, competent, medically fit and sufficiently rested and alert to do so.
[38] Protect employee rights	5		Vivendi (PSE)	<ul style="list-style-type: none"> • The essential principles which form Vivendi's employment policy is to ensure the safety of its employees wherever they may be, to respect their employment rights, to give each of them recruitment, employment and promotion prospects based on their abilities and sense of responsibility, and to maintain employment conditions which respect their individual dignity and private life.
[39] Human rights	42		Royal Dutch Shell (LSE)	<ul style="list-style-type: none"> • Conducting Shell activities in a manner that respects human rights as set out in the UN Universal Declaration of Human Rights and the core conventions of the International Labour

			<p>Organization. Shell's approach consists of several core elements, including adherence to corporate policies, compliance with applicable laws and regulations, regular dialogue and engagement with the stakeholders and contributing, directly or indirectly, to the general wellbeing of the communities within which Group works.</p> <ul style="list-style-type: none"> • Since the early 20th century, the issue of child labour has been the subject of widespread regulatory and societal attention. After several industrialized countries had adopted laws that limited the minimum working age of children and their working conditions, international organizations were requested to advance similar measures worldwide. Companies are supposed to be leading in addressing the issue of child labour.
[40] Forced, bonded and child labour	37	Kolk & van Tulder, 2002	
		BHP Billiton (LSE)	<ul style="list-style-type: none"> • Use suppliers who supply unsafe or environmentally irresponsible products or services, break laws or regulations, use child or forced labour or use physical punishment to discipline employees, even if it is allowed by local law is prohibited.
		L'Oreal (PSE)	<ul style="list-style-type: none"> • L'Oreal makes a positive contribution to the countries and communities in which the Group is present, and respect local cultures and sensitivities. The Group is committed to the respect of human rights. The Group wants to help end the exploitation of children in the workplace and the use of forced labour in companies.
[41] Harassment and bullying	84	BHP Billiton (LSE)	<ul style="list-style-type: none"> • Harassment is an unwelcome action, conduct or behaviour that a reasonable person would find unwelcome, humiliating, intimidating or offensive.

<p>Royal Dutch Shell (LSE)</p>	<p>Bullying is repeated behaviour directed towards an individual or group of individuals that is unreasonable and creates a risk to health and safety. Harassment and bullying are illegal in many countries and may lead to penalties for individuals and for BHP Billiton. Workplace harassment and bullying should not be confused with advice or counselling on work-related behaviour, which might include critical comments about work performance. Feedback or counselling on work performance or work-related behaviour is intended to assist employees to improve work performance or change behaviour and should be constructive and not humiliating. The effects of harassment on individuals can be serious and may include feelings of anger, confusion, helplessness, fear or depression. Victims of harassment may suffer physical or mental illness, and may find their relationships at work and at home affected. They may also feel that it is impossible to continue working in the same area or even for BHP Billiton. The impact of harassment on BHP Billiton can be equally serious, and may include reduced staff morale and productivity, higher absenteeism and turnover, lower performance standards and legal proceedings.</p> <p>• All the employees should treat others with respect and avoid situations that may be perceived as inappropriate. They also must challenge someone if they find their behaviour hostile, intimidating or humiliating. Harassment can result in disciplinary action and may lead to dismissal.</p>
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[42] Facilitation payment and life danger	11	BHP Billiton (LSE)	<ul style="list-style-type: none"> • The health and safety of those working for BHP Billiton is paramount. If the employees have good reason to believe that they cannot escape serious harm unless they meet a demand for payment, it would be permissible to make such a payment. They must report such incidents to the supervisor or manager without delay.
[43] Working hours and overtime	21	BAE Systems (LSE)	<ul style="list-style-type: none"> • Each employee must record all the hours' worked or any other aspect of the company's business accurately, in a timely manner and in accordance with local company procedures.
[44] Freedom of assembly and association	26	Esbenshade, 2004	<ul style="list-style-type: none"> • Of those that include labour standards in their codes, most leave out key elements of the code, most commonly the rights to freedom of association and collective bargaining.
		Unilever (LSE)	<ul style="list-style-type: none"> • L'Oreal respects the dignity of the individual and the right of employees to freedom of association.
		STMicroelectronics (PSE)	<ul style="list-style-type: none"> • Our employees have the right to join or form collective bodies, within the framework of local legislation. These rights are balanced by the duties of employees to the company and by the individual responsibilities of employees to each other.
[45] Pandemic preparedness	5	GlaxoSmithKline (LSE)	<ul style="list-style-type: none"> • Reflecting Group's role as a provider of public health critical medicines and Group's responsibility to the GSK community, GSK is committed to action to reduce the impact of a global influenza pandemic or other health emergency on our business.
[46] Privacy of personal information	58	BAE Systems (LSE)	<ul style="list-style-type: none"> • Group is committed to keeping employees' personal information confidential. The company will ensure that all personal

A theoretical model of code of ethics conceptualized from companies' public disclosures on ethics

			information is handled in compliance with company policy, local procedures, applicable data protection or data privacy laws and regulations within the countries in which the Group operates.
		Tesco (LSE)	<ul style="list-style-type: none"> • The employees are entitled to privacy and the Group recognizes the obligations set out in applicable privacy legislation.
[47] Balance between personal and professional life	5	AXA (PSE)	<ul style="list-style-type: none"> • AXA supports employee efforts to achieve a healthy work-life balance.
[48] Wage ensure decent living standards	16	Esbenshade, 2004	<ul style="list-style-type: none"> • The disparity in wage levels and other associated labour costs is striking. In 1998, when wages and fringe benefits in the U.S. were USD 10.12 in the apparel industry, they were 43 USD cents in China, 39 USD cents in India, 22 USD cents in Vietnam, and 16 USD cents in Indonesia.
		GDF Suez (PSE)	<ul style="list-style-type: none"> • GDF Suez seeks to ensure that the wages it pays in every country are sufficient to ensure decent living standards.
		Experian (LSE)	<ul style="list-style-type: none"> • Provide each employee with at least the minimum wage or the prevailing industry wage (whichever is higher) and provide each employee with all legally mandated benefits.
[49] Individual political activity	47	BAE Systems (LSE)	<ul style="list-style-type: none"> • The Group respects the rights of employees to make personal political donations and to be involved in political activity in their own time. Since the employees activities may sometimes be mistaken for activities of the company, they must: not use company time, property or equipment to carry out or support the personal political activities, always make clear that the views and actions are their own and not the company's.

Note: LSE – London Stock Exchange; PSE – Paris Stock Exchange

4.1.4. Customers

According to Lugli *et al.* (2009) customer should inspire all the firm's actions, making the quality of products and services offered externally a result of the input of all business functions. One element of a quality management is customer focus, which leads to ensuring a balanced approach between satisfying customers and other interested parties of one company (Mijatovic & Stokic, 2010).

Our target sample companies indicate customers as company stakeholders in a proportion of 74%. Further ethical policies were established in relation with customers. A detail on the frequencies found per the total number of codes of ethics regarding the ethical policies is presented in *Table 5*. As it can be seen, the most valuable ethical policy towards customers is *Product quality and safety* (42%). This means that the companies are committed to a long-time relationship with its customers which can be achieved by qualitative products. Less attention is offered to *Customer service* (5%). This can suggest that companies are very confident on the quality of their products as it is not necessarily to offer after sales services.

Table 5. Policies on ethics regarding customers

Ethics Policy	%	Author/Company	Details
[50] Product quality and safety	42	BAE Systems (LSE)	<ul style="list-style-type: none"> BAE Systems, in accordance with its Code of Ethics and policies, will ensure the products are designed and manufactured, and the services provided, in a manner that seeks to reduce the risk of hazard to operators, the public, property and the environment.
[51] Customer service	5	Compass Group (LSE)	<ul style="list-style-type: none"> The Group aims to provide a high level of client and customer service at all times. All feedback on the service is recorded and given prompt consideration.
[52] Protection of information	37	Tesco (LSE)	<ul style="list-style-type: none"> The Group has a responsibility under data privacy laws and regulations to protect customer and consumer information that is provided.

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[53] Customer satisfaction	16	STMicroelectronics (PSE)	<ul style="list-style-type: none"> • The Group will strive for quality and customer satisfaction and create value for all partners.
[54] Ethical advertising	21	L'Oreal (PSE)	<ul style="list-style-type: none"> • L'Oreal's advertising is based on products' intrinsic characteristics and performance. It is expected to: <ul style="list-style-type: none"> - ensure that all promotional material is based on proven performance and scientific data, - give a fair description and visual representation of the products and their effects, - be sensitive to possible reactions of religious, ethnic, cultural or social groups. Further attention is needed when advertising to children and young people.
[55] Communication	21	GDF Suez (PSE)	<ul style="list-style-type: none"> • The Group entails an open dialogue, based on accurate information, adherence to the rules regarding commercially sensitive information.

Note: LSE – London Stock Exchange; PSE – Paris Stock Exchange

4.1.5. Suppliers and subcontractors

Supply chain stakeholders include the categories of suppliers and subcontractors (Walker *et al.*, 2008). Relatively general requirements of suppliers are included in many codes (Preuss, 2009). Jiang (2009) considers that the code of ethics is a popular tool by which buyers manage and monitor their suppliers' ethical and socially responsible practices. Also, suppliers are often given codes of ethics, told to comply with, and notify that they must face audits as part of the agreed contract.

Suppliers and subcontractors are mentioned in the code of ethics of 89% of the target sample companies. *Table 6* presents a detailed view of the ethical policies regarding the stakeholders and subcontractors and subsequent frequencies of items' occurrences. The most common ethical policy is *Complying with own corporate standards* (68%). It seems that companies are very selective when contracting suppliers, and there are cases of contract termination when ethical breaches are discovered in suppliers' conduct – *Contravention of breaching corporate standards* (21%). These findings are in accordance to Gordon and Miyake (2001) who suggest that codes make use of overt threat – reference to punitive action. This almost always consists of the threat of terminating the business relationship.

Table 6. Policies on ethics regarding suppliers and subcontractors

Ethics Policy	%	Author/Company	Details
[56] Complying with own corporate standards	68	BHP Billiton (LSE)	<ul style="list-style-type: none"> The Group contracts suppliers who share commitment to: - lawful business practices conducted according to a high standard of business conduct, - management practices that respect the rights of all employees and the local community, - minimising the impact on the environment, - providing a safe workplace.
[57] Implementing own standard to suppliers	5	BAE Systems (LSE)	<ul style="list-style-type: none"> The Group is committed to encourage their business associates, suppliers and joint venture partners to adopt the same or equivalent standards as in the code of ethics.
[58] Contravention of breaching corporate standards	21	BHP Billiton (LSE)	<ul style="list-style-type: none"> If there is any doubt or concern in relation to the supplier or potential supplier's integrity or ability to perform the contract, employees should ensure that these issues are resolved. Behaviour that has lead to a final warning or termination of a third party, including contractors, suppliers has a major reputational impact on BHP Billiton.
		BAE Systems (LSE)	<ul style="list-style-type: none"> The employees must promptly report any behaviour by a supplier or other business partner that does not match BHP Billiton ethical principles.
[59] Protection of property	16	GlaxoSmithKline (LSE)	<ul style="list-style-type: none"> Employees are responsible for the security of, authorised access, and proper use of third parties' assets.
[60] Health and safety	26	Vodafone Group (LSE)	<ul style="list-style-type: none"> Employees must ensure that the suppliers and partners identify, assess and manage risk for all activities and services undertaken and/or products provided on

A theoretical model of code of ethics conceptualized from companies' public disclosures on ethics

[61] Contractual obligation	16	GDF Suez (PSE)	<p>Vodafone's behalf and can comply with all applicable laws relating to health and safety and Vodafone's Code of Ethical Purchasing.</p> <ul style="list-style-type: none"> • Relations with suppliers must be governed by equity and impartiality in order to preserve a balanced and rational relationship. Buyers must be impeccable in their ethical standards and comply with the regulations, in particular those relating to competition.
[62] Selection based on performance	11	BHP Billiton (LSE)	<ul style="list-style-type: none"> • The Group commits to take care in operating a fair and equitable procurement process. The selection process aims to clearly inform potential suppliers of expectations, policies, standards and procedures and requirements. All procurement decisions should be based on the best value received, taking into account the merits of price, quality, performance and suitability.
[63] Fair market prices	5	L'Oreal (PSE)	<ul style="list-style-type: none"> • The Group commits to pay suppliers on time and according to the agreed terms. The employees must make sure that the supplier is not overly dependent on L'Oreal business and must refrain from asking suppliers to make unreasonable concessions in order to win or retain business with L'Oreal.
[64] Communication	16	AXA (PSE)	<ul style="list-style-type: none"> • Promoting ongoing dialogue with AXA's key suppliers and nonexclusive distributors to foster strong relationships are constantly strengthened.

Note: LSE – London Stock Exchange; PSE – Paris Stock Exchange

4.1.6. Governments

Establishing ethical codes of conduct is voluntary; however, the pressure from governments, industrial associations, and other stakeholders to do so has increased (Petersen & Krings, 2009). Adams *et al.* (2001) note that this pressure may be an instance in which government intervention has a positive effect on business. Considering these factors, Canary & Jennings (2008) conducted a study which suggest that some codes are primarily written to convey relevant laws and regulations to organization. A major criticism of self-regulation through codes of ethics is that these documents do not have the same clout as government regulation (Preuss, 2010). However, the government should encourage firms to copy the good ethical actions of foremost firms, not simply their words (Forster *et al.*, 2009).

Governments were considered as major stakeholder among companies in 95% of the target sample companies. The most valued ethical policies regarding governments were: *Compliance with law* (95%), *Bribe, corruption, and facilitation payments* (79%), *Competition and antitrust law* (68%), and *Political donations* (68%). An interesting presence in this nomenclature is *Compliance with code if law is less restrictive* (26%). This suggests that companies are targeting ethical standards higher than the laws as they tend to being perceived as global pioneers on ethics. A detail on ethical policies regarding governments is presented in *Table 7* with relevant examples extracted from companies' codes of ethics and a frequency of items' occurrences.

Table 7. Policies on ethics regarding governments

Ethics Policy	%	Author/Company	Details
[65] Compliance with law	95	Air Liquide (PSE)	<ul style="list-style-type: none"> • In professional activities, each Air Liquide employee must demonstrate integrity and abide by applicable laws and regulations under all circumstances.
[66] Lobbying	21	BAE Systems (LSE)	<ul style="list-style-type: none"> • Although the company does not directly participate in party politics, the Group will continue to engage in policy debate on subjects of legitimate concern to it, its employees, customers and end users and the communities in which it operates, for example through lobbying.
[67] Adjusting code within legal framework	5	GDF Suez (PSE)	<ul style="list-style-type: none"> • Each person is required to obey laws and regulations. For Group-specific rules, however, entities may choose to adapt the way they

A theoretical model of code of ethics conceptualized from companies' public disclosures on ethics

			are implemented, for example in order to fit in with laws or certain aspects of local culture in which customs differ from the Group's practices.
[68] Compliance with code if law is less restrictive	26	BAE Systems (LSE)	<ul style="list-style-type: none"> • Sometimes these laws may be less restrictive than the corporate standard. In such cases the Group will always follow the corporate standard.
		Compass Group (LSE)	<ul style="list-style-type: none"> • The Group respects the law, traditions and cultures of the countries in which it operates. When there is an apparent conflict between local custom and the principles and values set out in the code of ethics, employees acting on Group's behalf must be guided by the code.
[69] Exercise good judgement	11	GlaxoSmithKline (LSE)	<ul style="list-style-type: none"> • The code of ethics does not serve as a substitute for individual responsibility to exercise good judgement and common sense, as it cannot address every business situation that may occur.
[70] Competition and antitrust law	68	Unilever (LSE)	<ul style="list-style-type: none"> • Unilever believes in vigorous yet fair competition and supports the development of appropriate competition laws. Unilever companies and employees will conduct their operations in accordance with the principles of fair competition and all applicable regulations.
[71] Trade controls	16	Royal Dutch Shell (LSE)	<ul style="list-style-type: none"> • Export and Import Controls and Sanctions laws give countries legal control over the sale/purchase, shipment, electronic transfer or disclosure of information, software, goods and services across national borders. Employees should remember that controls and sanctions (or embargoes) can be imposed against countries, entities, individuals and goods and that can have legal consequences against the Group or themselves.

[72] Money laundering	26	Tesco (LSE)	<ul style="list-style-type: none"> • Complex commercial transactions may hide financing for criminal activity such as terrorism, illegal narcotics trade, bribery and fraud. Anti-money laundering laws and international organizations require transparency of payments and the identity of all parties to transactions.
[73] Political donations	68	BAE Systems (LSE)	<ul style="list-style-type: none"> • The company does not participate directly in political activities or make donations to political parties or their representatives. This means that - company funds and resources may not be used to contribute to any political campaign, political party, political candidate or any of their affiliated organisations, - it will not use charitable donations as a substitute for political payments.
[74] Religious donations	5	BHP Billiton (LSE)	<ul style="list-style-type: none"> • BHP Billiton will not contribute to any religious organisation for religious purposes. Projects implemented by religious organisations that provide services to the general community may be acceptable, provided they comply with all other applicable BHP Billiton and legal requirements.
[75] Trade unions donations	5	Unibail-Rodamco (PSE)	<ul style="list-style-type: none"> • It is not within the Group's policy to support financially political parties, trade-unions or religious organizations.
[76] Bribe, corruption, and facilitation payments	79	Gordon & Miyake, 2001	<ul style="list-style-type: none"> • It is not easy to define exactly what constitutes bribery and other corrupt practices. Clear-cut cases do exist, but greyer areas arise in connection with facilitation payments, gifts and hospitality. The assessment of what constitutes acceptable practice may also be coloured by local circumstances; but cultural diversity and varying local conditions can also be used as excuses for inappropriate business conduct.

BHP Billiton (LSE)	<ul style="list-style-type: none"> • A facilitation payment is a payment or gift given (usually to a government official) to speed up or perform a procedure. It does not include fees required to be made by law (such as the payment of a filing fee for a legal document). BHP Billiton prohibits bribery and corruption in all its business dealings in every country. Bribery involves making a payment of any value to any person deliberately to distort a proper decision-making process, to influence a person's decision, to encourage them to secure an improper commercial advantage, or to enter into a dishonest arrangement.
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Note: LSE – London Stock Exchange; PSE – Paris Stock Exchange

4.1.7. Communities

External stakeholders are often less valued by companies and comprise the general community and independent concerned individuals or groups who feel that they will be affected by the company's activities and outcome (Walker *et al.*, 2008). In this respect, ethical codes clarify and make explicit the means and ends of an organization to the respective communities. Codes should be living documents that respond to the needs and aspirations of the community companies are to perform in (Lozano, 2001). The benefits of projecting an ethical image with an active code of ethics will maintain reputation far beyond the organization, into the wild community (Chua & Rahman, 2011).

The communities have been considered in the code of ethics content by 74% of the target sample companies. Regarding the communities, the most frequent ethical policies are *Charitable support* (47%) and *Sustainable development / improve communities* (37%). These suggest that companies are committed to the local development of the communities they belong through active implication and dialog – *Consulting with communities* (26%). Table 8 present the ethical policies regarding the communities and a detail of items' frequencies found in the corporate codes of ethics.

Table 8. Policies on ethics regarding communities

Ethics Policy	%	Author/Company	Details
[77] Sustainable development/improve communities	37	Royal Dutch Shell (LSE)	<ul style="list-style-type: none"> • Sustainable development for Shell means helping to meet the world's growing energy needs in ways that are economically, environmentally and socially responsible. Shell's commitment require to balance the interests; and integrate economic, health, security, environmental and social considerations into decisions.
[78] Consulting with communities	26	BHP Billiton (LSE)	<ul style="list-style-type: none"> • Group's ability to work collaboratively with the host communities is critical to long-term success. Group's aim is to be the company of choice, valued and respected by the communities in which it operates. The Group does this by engaging regularly and honestly with people affected by operations, and by taking their views and concerns into account in decision-making. To assist in managing the engagement with local communities, all sites are required to have a community relations plan, a community complaints register to record and track the management of community concerns.
[79] Economic support: employment, skills workshops	26	BAE Systems (LSE)	<ul style="list-style-type: none"> • The Group contributes to the welfare of local communities by providing education, skills workshops and careers advice in local schools and through participating in community projects.
[80] Charitable support	47	GlaxoSmithKline (LSE)	<ul style="list-style-type: none"> • GSK is committed to the charitable donation of products based on humanitarian needs and other factors, including emergency and disaster situations.
[81] Cultural sensitivity	26	BHP Billiton (LSE)	<ul style="list-style-type: none"> • If the employee accepts an international assignment or the job involves business dealings with other countries, he/she must always be aware of and understand the

A theoretical model of code of ethics conceptualized from companies' public disclosures on ethics

[82] Religious sensitivity	5 BHP Billiton (LSE)	<p>norms, laws and customs of those countries. The Group is committed to provide cross-cultural training.</p> <ul style="list-style-type: none"> • The community programs must not intentionally favour individuals from one political (or religious or ethnic) group on the basis of their membership of that group.
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Note: LSE – London Stock Exchange; PSE – Paris Stock Exchange

4.1.8. Environment

Concern over the behaviour of multinational corporations in developing countries, where such corporations sometimes influence national politics, and sometimes destroy the environment is longstanding (Esbenshade, 2004). In such circumstances, the need of environmental protection is increasingly rising. Protection of the environment refers to the environment as a public asset of intrinsic value, which has to be protected against the negative impact of economic activities (Lugli *et al.*, 2009). Considering this, the role of the codes of ethics is that the multinational firms should behave as a moral actor, as long as there is no political world order available that defines and enforces the environmental standards (Scherer & Smid, 2000).

All the companies in the target sample mentioned the environment as an important stakeholder in the content of their codes of ethics. The most frequent ethical policies are *Complying with environmental legislation* (95%) and *Minimising effects of operations* (53%), with its underlying elements: *Reducing energy consumption* (53%), *Reducing water consumption* (26%), *Reducing greenhouse gases emissions* (32%), *Reducing waste production* (47%), and *Recycling* (26%). The less frequent ethical policy appears to be *Taking remedial actions* (5%). A detailed image of these ethical policies and a subsequent frequency of items' occurrences are presented in the following Table 9.

Table 9. Policies on ethics regarding the environment

Ethics Policy	%	Author/Company	Details
[83] Complying with environmental legislation	95	Tesco (LSE)	<ul style="list-style-type: none"> • Tesco is committed to meet all regulatory and industry standards and regulations by implementing appropriate measures for the assessment of potential environmental effects, for the prevention of these potential effects and for appropriate response to any incidents that might occur.

[84] Minimising effects of operations	53	Vodafone (LSE)	Group	<ul style="list-style-type: none"> • Vodafone recognizes that its day-to-day operations will impact on the environment in a number of ways, and the Group is committed to minimising harmful effects of its activities.
[85] Reducing energy consumption	53	Vinci (PSE)		<ul style="list-style-type: none"> • Vinci developed eco-comparison tools that optimise the energy performance of buildings and limit environmental footprint of structures.
[86] Reducing water consumption	26	Vodafone (LSE)	Group	<ul style="list-style-type: none"> • Vodafone is committed to minimise the use of finite resources (such as water and raw materials) and the release of harmful emissions to the environment (discharges to water etc.).
[87] Reducing greenhouse gases emissions	32	BHP Billiton (LSE)		<ul style="list-style-type: none"> • The Group believes that the risks of climate change associated with increasing greenhouse gas concentrations in the atmosphere need to be addressed through action. A priority is improving energy and greenhouse gas emissions management.
[88] Reducing waste production	47	Experian (LSE)		<ul style="list-style-type: none"> • Experian is committed to identify all hazardous or toxic waste it produces, and to dispose it by competent bodies via authorized disposal routes.
[89] Recycling	26	GDF Suez (PSE)		<ul style="list-style-type: none"> • The Group is committed in optimum utilization and recycling of materials, in economic use of natural resources and in reducing environmental damage.
[90] Animal testing	5	L'Oreal (PSE)		<ul style="list-style-type: none"> • L'Oreal wants an end to animal testing in industry, and the Group is committed to contribute to the development and acceptance of alternative methods.
[91] Assessing impact on environment	42	Vinci (PSE)		<ul style="list-style-type: none"> • Vinci is committed to measuring the environmental impact. The environmental reporting system covers virtually all the entire range of the operations.

A theoretical model of code of ethics conceptualized from companies' public disclosures on ethics

[92] Assessing impact on biodiversity	21	Royal Dutch Shell (LSE)	• Shell is committed to minimize the impact on ecosystems and biodiversity.
[93] Report and investigate incidents	16	BHP Billiton (LSE)	• The employees should report to the manager any accident, incident, spill or release of material so that appropriate action can be taken to prevent, correct and/or control those conditions.
[94] Taking remedial actions	5	Tesco (LSE)	• The Group is committed for the prevention of the potential effects on environment and for appropriate response to any incidents that might occur.

Note: LSE – London Stock Exchange; PSE – Paris Stock Exchange

4.2. International regulations regarding corporative conduct

A further significant rationale for the adoption of a code has been the quasi-legal pressure. Companies listed in the United Kingdom are subject to the Combined Code on Corporate Governance. Although not mandatory as such, the listed companies that opt not to comply with specific provisions of the Combined Code need to provide an explanation for doing so in their annual report and accounts (Preuss, 2010). Also, the French listed companies are subject to New Economic Regulations (NRE) Act. The article 116 of the NRE law voted in 2001 introduced the obligation for all publicly listed French companies to include information within their reports on a series of social and environmental impacts on their activity (Delbard, 2008).

There is an extensive regulatory but non-binding framework that governs the proper functioning of many stakeholder relationships in the business system. Even so, the recent global financial crisis can, to some degree, be attributed to deficiencies in this regulatory framework. However, the legal and regulatory system cannot be sufficiently detailed to anticipate every conceivable situation within which unethical behaviour might take place nor is it likely to evolve at a rate fast enough to keep up with that of the constantly changing business environment (McCraw *et al.*, 2009).

Forster, Loughran and McDonald (2009) have an opposite point of view regarding regulations. They argue that while a code may have some legal aspects, it goes beyond such a specific purpose as it sets behavioural guidelines. In fact, it should represent a set of universal moral standards, but should also allow for the fact that companies have unique characteristics and thus need different specific content.

The companies in our target sample disclosed in the corporate code of ethics their adherence to a vast number of legal texts. Although non-binding, these regulations have a cross-cultural dimension, being adopted at international level. A detailed list of these regulations and the frequency of the items' occurrences are presented in *Table 10*. As this statistic shows, most of the companies adhere to the *UN Universal Declaration of Human Rights* (37%) and the *UN Global Compact Ten Principles* (32%).

Table 10. Companies adherences at international regulations in codes of ethics

Regulation	%	Description
Human Rights		
UN Universal Declaration of Human Rights	37	<ul style="list-style-type: none"> • The UN Universal Declaration of Human Rights is a declaration adopted by the United Nations General Assembly at 10 December 1948. It consists of 30 different articles and represents the first global expression of equal and inalienable rights to which all human beings are inherently entitled.
UN Global Compact Ten Principles	32	<ul style="list-style-type: none"> • The UN Global Compact Ten Principles are drawn from the Universal Declaration of Human Rights, ILO Conventions, and the Rio Declaration on Environment and Development and is a voluntary adherence to ten principles which are a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption.
Global Sullivan Principles	5	<ul style="list-style-type: none"> • The Sullivan Principles are created by Reverend Leon H. Sullivan, promoting corporate social responsibility. The principles were designed to increase the active participation of companies large and small in every part of the world in the advancement of human rights and social justice at the international level. They lack the social legitimacy of the UN.
Voluntary Principles on Security and Human Rights	5	<ul style="list-style-type: none"> • Voluntary Principles on Security and Human Rights are a set of non-binding principles created to assist extractive companies to balance security risks with human rights and to collaborate with state and private security forces.
Business Conduct		
OECD Guidelines for Multinational Enterprises	11	<ul style="list-style-type: none"> • The OECD Guidelines for Multinational Enterprises are recommendations addressed by governments to multinational enterprises. They provide voluntary principles and standards for responsible business conduct consistent with applicable laws.

A theoretical model of code of ethics conceptualized from companies' public disclosures on ethics

ILO Declaration on Fundamental Principles and Rights at Work	11	<ul style="list-style-type: none"> • Adopted in 1998, the Declaration commits organizations to respect and promote principles and rights in four categories: freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation.
Bribery and Corruption		
UN Convention Against Corruption	5	<ul style="list-style-type: none"> • The Convention was adopted by the General Assembly by resolution 58/4 of 31 October 2003 as an effective international legal instrument against corruption.
OECD Convention on Combating Bribery	5	<ul style="list-style-type: none"> • The OECD Anti-Bribery Convention establishes legally binding standards to criminalise bribery of foreign public officials in international business transactions and provides for a host of related measures that make this effective.
The Extractive Industries Transparency Initiative	5	<ul style="list-style-type: none"> • The Extractive Industries Transparency Initiative sets a global standard for transparency in oil, gas and mining. It is a coalition of governments, companies and civil society to make natural resources benefit all by setting a standard for companies to increase transparency over payments by companies to governments and to government-linked entities.
Environmental Management		
ISO 14000 / 19000	11	<ul style="list-style-type: none"> • ISO 14000 is a descriptor for a set of standards that have been developed in response to the global concern about the environment. These standards represent a consensus agreement by national standards bodies around the world about the procedures that need to be followed in establishing an effective environmental management system. • ISO 19000 provides guidance on the principles of auditing, managing audit programs, conducting quality management system audits and environmental management system audits, as well as guidance on the competence of quality and environmental management system auditors.
Equator Principles	5	<ul style="list-style-type: none"> • The Equator Principles are based on the International Finance Corporation performance standards on social and environmental sustainability, and on the World Bank Group's Environmental, Health and Safety general guidelines. The Equator Principles are a voluntary

		set of standards for determining, assessing and managing social and environmental risk in project financing.
Health		
Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria	5	<ul style="list-style-type: none"> • The Global Business Coalition is at the heart of a movement that's closing gaps and increasing impact in the fight against HIV/AIDS, tuberculosis, and malaria. It's a movement that is committed to end these diseases faster.

The companies should adhere only to those regulations that apply to company's profile, and the adherence should not represent a mere image without an actual commitment.

5. Conclusions

This paper studied the public corporate disclosures on ethics published by European companies, more exactly, the corporate codes of ethics and conduct. The purpose of this study was to identify the ethical policies, practices, and attitudes promoted by the companies towards ethics. We identified a number of 94 ethical policies regarding companies' stakeholders. We then classified all the identified items considering the group of the stakeholders with primary interests in company's activities. The ethical items were grouped by *capital owners (shareholders and investors)* (5 items), *management* (8 items), *employees* (36 items), *customers* (6 items), *suppliers and subcontractors* (9 items), *governments* (12 items), *communities* (6 items) and *the environment* (12 items). A detail of the frequency of items' occurrences is also presented. This demarche allowed us to conceptualize a model of code of ethics which is intended to be a first step for companies' guidance in designing their own corporate code. Every ethical policy is detailed with practical examples extracted from the companies' code of ethics. These examples should guide companies in creating their own code and should not affect the originality of every code designed. Companies may evaluate these general ethical policies, and decide whether the items are compatible with the company's profile. If this is the case, the company should consult the practical examples and adopt the respective items in a specific manner in accordance with company's profile. The presented list is not intended to be perceived as an exhaustive one; companies may add or reject some items in accordance with the specific elements of the company.

A code of ethics is an instrument which encompasses the moral establishment of an ethical behaviour in one company. But, we have to remember that a specific instrument, i.e. a code of ethics, like any other instrument, can or cannot be effective in attaining its objectives. As Messikomer and Cirka (2010) state, no

matter how carefully designed and constructed, a code of ethics is only one component of an organization's ethics program, and its presence is not sufficient to prevent unethical behaviour. A code must be supplemented and supported by other ethical initiatives and voluntary approaches (Mijatovic & Stokic, 2010).

The difference is made when we can speak about commitment, more exactly, the commitment of all managers and employees to respect and promote the content of the code of ethics. In case of no commitment, and no matter of what it contains and promotes, a code of ethics remains an empty construction, with words that have no echo and bring no added value to the company. In this respect, McCraw *et al.* (2009) argue that business leaders should understand the linkage between the precepts of a stated ethical code and their professional behaviour. After all, the ultimate test of the impact of changes on an organizational ethical culture is the direct measurement of behaviour change (Canary & Jennings, 2008).

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