



goodcorporation

## The GoodCorporation Standard (Revised June 2004)

The GoodCorporation Standard is based on a core set of principles that define a framework for responsible management in any type of organisation. Under each principle, the Standard sets out management practices that can be assessed to determine how well the organisation works in reality. GoodCorporation uses an independent verification process that looks at four levels of evidence for each individual practice, and assesses them against a five-point scale.

### The verifier checks

#### that a policy exists

policy documents are reviewed

#### that a system is in place to implement the policy

systems are examined

#### that records exist which show that the system works in practice

a sample of records is reviewed

#### that stakeholders, when asked, agree that the system works and is fair

interviews are held with employees, customers, suppliers, shareholders, community and environmental groups

### The verifier awards grades

#### fail

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

#### minor non-compliance

there is a policy and system but it is not always working

#### observation

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

#### merit

the policy and system work well

#### commendation

the policy and system are examples of best practice

Any organisation can undergo verification, and those that demonstrate working policies and practices in every area set out in the Standard attain Full GoodCorporation Membership. In all cases, a verification report is provided setting out the evidence presented, the assessment grade for each practice and commentary on potential improvements. Membership is renewed by annual re-verification.

The verification is not designed to be an audit of every activity or an endorsement of the organisation's products or services.

An independent Accreditation Council approves all verification reports and deals with any disputes regarding assessments.

The GoodCorporation Standard was established in June 2001 and developed in partnership with the Institute of Business Ethics. This document shows the first revision to the Standard, released in June 2004.

# The GoodCorporation principles and assessed practices

While the organisation is accountable to its shareholders (or equivalent for not-for-profit organisations), it takes into account the interests of all its stakeholders including employees, customers and suppliers as well as the community and environment in which it operates.

## 1. Employees

*The organisation provides clear and fair terms of employment.*

- EMP1: There are clear employment terms and conditions for all staff.
- EMP2: There is a clear disciplinary procedure.
- EMP3: An effective employee grievance procedure is in operation.
- EMP4: The terms for leaving the organisation are explicit.
- EMP5: Freedom of association and organisation of employees is respected.
- EMP6: An employee consultation process is in operation.
- EMP7: Compliance with relevant employment laws and regulations is monitored.

*The organisation provides clean, healthy and safe working conditions.*

- EMP8: There is a health and safety policy with procedures for protecting and monitoring employees' health and safety.
- EMP9: Training is undertaken to ensure that all employees are able to implement the organisation's health and safety policy and practices.

*The organisation has a fair remuneration policy everywhere it operates.*

- EMP10: Employees know how and when their remuneration is determined.
- EMP11: Local cost of living and pay norms are taken into consideration when determining remuneration.

*The organisation strives for equal opportunities for all present and potential employees. It does not discriminate on grounds of colour, ethnic origin, gender, age, religion, political or other opinion, disability or sexual orientation.*

- EMP12: An equal opportunities policy statement exists and is monitored. The policy states the intention to recruit, promote and reward employees on the basis of merit alone.

- EMP13: Procedures are in place to respond to accusations of workplace discrimination.

*The organisation encourages employees to develop skills and progress in their careers.*

- EMP14: Employees have appropriate training for their work.
- EMP15: Employees have a performance review, at least annually, which includes consideration of skills development and career prospects.

*The organisation does not tolerate any sexual, physical or mental harassment or bullying of its employees.*

- EMP16: There is a policy to treat all employees with respect and no forms of harassment are tolerated.
- EMP17: Procedures are in place to respond to accusations of workplace harassment or bullying.

*The organisation does not employ underage staff.*

- EMP18: There is a process to ensure that child labour is not employed. In exceptional circumstances where an organisation employs child labour, it must undertake a responsible replacement of that child labour with adult labour.

## 2. Customers

*The organisation is honest and fair in its relationships with its customers.*

- CUS1: Terms of business, which explain clearly the basis of the contract with customers, are respected.
- CUS2: Personal information received from customers is protected and used only in ways explicitly agreed.
- CUS3: The organisation ensures that all advertising and public statements are honest.
- CUS4: There is a process for registering and resolving customer complaints and comments against a defined timescale.
- CUS5: There is a policy not to use intellectual property, such as copyrights, trademarks, patents or software belonging to customers, without express permission.

CUS6: Customer feedback is taken into account in developing customer policies and practices.

*The organisation provides the standards of products and services that have been agreed.*

CUS7: The specification of products and services is clear, including where appropriate total cost, delivery charges and timescales for delivery.

CUS8: The organisation's obligations after a product or service is sold are clearly stated.

CUS9: The organisation is open to dialogue to protect the interests of vulnerable consumer groups.

*The organisation takes all reasonable steps to ensure the safety and quality of the goods and services it provides.*

CUS10: As appropriate goods and services have accurate and clear information and labelling regarding their content, safe use, maintenance, storage and disposal.

CUS11: Where applicable, the organisation co-operates fully and in a transparent manner with public authorities in the prevention or removal of serious threats to public health and safety deriving from consumption or use of the products or services.

*The organisation does not offer or accept bribes or substantial favours.*

CUS12: There is a policy not to offer, pay, solicit or accept bribes in any form to or from customers.

CUS13: There is a process for monitoring and checking that the organisation does not offer, pay, solicit or accept bribes in any form to or from customers.

### 3. Suppliers and subcontractors

*The organisation is honest and fair in its relationships with its suppliers and subcontractors.*

SUP1: Terms of business, which explain clearly the basis of the contract with suppliers, are respected.

SUP2: personal information received from suppliers and subcontractors is protected and used only in ways explicitly agreed.

SUP3: There is a process for registering and responding to supplier and subcontractor complaints and comments against a defined timescale.

SUP4: Supplier and subcontractor feedback is taken into account in developing supplier and subcontractor policies and practices.

SUP5: Where business terms are changed, reasonable time is allowed before implementation.

SUP6: There is a policy not to use intellectual property, such as copyrights, trademarks, patents or software belonging to suppliers or subcontractors, without express permission.

*The organisation pays suppliers and subcontractors in accordance with agreed terms.*

SUP7: There is an accurate list of invoices and payments, including overdue payments, which demonstrates that suppliers and subcontractors are routinely paid in accordance with agreed terms.

*The organisation does not offer or accept bribes or substantial favours.*

SUP8: There is a policy not to offer, pay, solicit or accept bribes in any form to or from suppliers.

SUP9: There is a process for monitoring and checking that the organisation does not offer, pay, solicit or accept bribes in any form to or from suppliers.

*The organisation encourages suppliers and subcontractors to adopt responsible business practices.*

SUP10: A process is in place to inform suppliers and subcontractors about the organisation's adherence to this Standard and encourage them to abide by its principles.

### 4. Community and environment

*The organisation aims to make the communities in which it works better places to live and do business.*

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

COM2: A process is in place to deal with enquiries and complaints from members of local communities in which the organisation operates.

COM3: Community projects and activities are supported in the localities in which the organisation operates.

COM4: Employees are encouraged to help local community organisations.

COM5: There is a policy to compete fairly and there are procedures in place to prevent anti-competitive behaviour.

*The organisation aims to be sensitive to the local community's cultural, social and economic needs.*

COM6: The organisation is open to dialogue with relevant community groups where there are concerns about the products, services or operations of the organisation.

COM7: The organisation has purchasing and recruitment policies that favour the communities in which it operates.

*The organisation endeavours to protect and preserve the environment where it operates.*

COM8: The organisation assesses its environmental impacts in terms of use of resources (such as materials, energy and water) and production of waste and pollution.

COM9: The organisation prioritises its environmental impacts and has a monitored programme for continuous reduction of impacts.

COM10: Compliance with environmental regulations and industry specific codes of practice is monitored.

## 5. Shareholders and other suppliers of finance

*The organisation is financially accountable to its shareholders.*

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

SHA2: A verification or inspection of finances is carried out on behalf of a majority of shareholders (or equivalent) when and if they require it.

*The organisation communicates to shareholders all matters that are material to an understanding of the future prospects of the organisation.*

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

*The organisation aims to protect shareholders' funds, manage risks and ensure that funds are used as agreed.*

SHA4: The senior management regularly assesses its processes to safeguard assets against loss and fraudulent use.

SHA5: The senior management regularly assesses the significant financial and non-financial risks and has appropriate controls in place to manage them.

SHA6: Relevant material issues are disclosed to shareholders equally and in a timely fashion.

SHA7: There are procedures to guard against insider trading.

*The organisation communicates to shareholders (or their equivalent) all matters that are material to an understanding of the organisation's governance.*

SHA8: The principles and practices of corporate governance are clearly communicated to shareholders (or equivalent) and variances from any relevant code of corporate governance justified.

SHA9: A process is in place to deal with queries and complaints regarding corporate governance from shareholders.

## 6. Management commitment

*The organisation will do all in its power to conform to the letter and spirit of this Standard.*

MAN1: The responsibility for adhering to this Standard, and the commitment of the organisation to it, rests with the senior management team.

MAN2: Complaints and comments from stakeholders are taken seriously and dealt with.