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## **SOCIAL AND ETHICAL POLICY MANUAL**

### **Ethical Conduct**

#### **Introduction**

The Company's values express our commitment to managing our business to the highest ethical standards. All employees are required to maintain exemplary moral principles in the conduct of company business so that at all times the Company and its employees are above reproach.

Each employee is responsible for conducting the company's business with integrity. This includes:

- Operating in compliance with all applicable laws.
- Avoiding situations where personal interests are, or appear to be, in conflict with company interests.
- Safeguarding and properly using company proprietary information, assets and resources.
- Being truthful, timely, and accurate in all communications and records, and reporting with the completeness required.
- Maintaining confidentiality of non-public information and not acting on such information for personal gain.
- Treating all our people, customers, partners and suppliers in an honest and fair manner.
- Handling relationships with public officials, government employees and political candidates within the spirit as well as the letter of the law.

The following statements are for guidance. Where they set out standards, these are not exclusive rules but indicate how the Company expects its staff to behave in those and similar situations. Ethical behaviour is a matter of spirit and intent.

#### **Compliance**

As a condition of employment:

- Employees are required to comply with the Company's standards of business conduct and underlying policies and procedures. When in doubt, employees must seek clarification from the Company's Head of Legal Affairs or Executive Director responsible for Legal & Commercial, as the case may be.
- The Company expects employees to comply with the spirit and letter of the law of the jurisdictions within which the Company operates.

Employees are all committed to the Company's business conduct standards and violations are grounds for disciplinary action up to and including discharge and legal prosecution.

Should an employee become aware of suspected misconduct, fraud, abuse of Company assets or other violations of the Company's business conduct standards, employees are responsible for reporting such matters to any Executive Director.

#### **Customer and Supplier Relations**

The Company does not seek to gain any advantage through the improper use of favours or other inducements. Good judgement and moderation must be exercised to avoid misinterpretation and adverse effect on the reputation of the Company or our people. Offering, giving, soliciting or receiving any form of bribe is prohibited.

Gifts, favours and entertainment may be given, to business associates, only if what is given:

- is consistent with customary business practice;
- is not excessive in value and cannot be construed as a bribe or pay-off;
- is not in violation of applicable law or ethical standards; and
- will not embarrass the Company or the employee if publicly disclosed

Employees must not accept gifts, favours, entertainment or other inducements from persons or organisations that do or seek to do business with, or are competitors of, the Company, its branches, subsidiaries, or affiliated companies, except as common courtesies usually associated with customary business practices. If a gift is of more than token value, a company officer must approve its acceptance.

It is never acceptable to accept a gift in cash or cash equivalent.

#### **Competition Compliance**

An area of particular concern involves agreements and discussions with competitors. For example, employees must not participate in any discussion, understanding, agreement, plan or scheme, whether formal or informal, with any other competitor or potential competitor, which involves prices, price levels, territories or customers to be served. Special incentives to buy and sell must always meet the requirements of applicable law. Any attempt by a competitor to open such discussion must be reported in writing to the Head of Legal Affairs.

Employees should particularly note that, as well as the Company, employees may be held liable for violations of the Monopolies European and trade regulation laws.

Questions concerning these subjects are to be directed to the Director in charge of Legal Affairs.

#### **Conflicts of Interest**

Employees must avoid situations in which employees' personal interests and the company's interests may conflict. In dealings with current or potential customers, suppliers, contractors, and competitors, employees must act in the best interests of the Company to the exclusion of personal advantage.

#### **Non-compliance**

Employees must make prompt and full disclosure in writing to any Executive Director of situations that may involve conflict of interest. These include:

- Ownership by an employee, or a close family member, of a significant financial interest in any outside enterprise which does or seeks to do business with, or is a competitor of, the Company. The ownership of a minor interest of less than 1% in securities of a company listed on any national stock exchange, or regularly traded in a recognised over the counter market is not considered a "financial interest" likely to result in a conflict of interest.
- Serving an outside enterprise which does or seeks to do business with, or is a competitor of, the Company. This includes, for example, serving as a director, officer, partner or consultant.
- Acting as a broker, finder or other intermediary for the benefit of a third party in transactions involving the Company or its interests.
- Any other arrangement or circumstance, including family or other personal relationships, which might cause the employee not to act in the best interest of the Company.

### **Respect for People**

The goal of working more effectively together implies that each individual will refrain from any discrimination for whatever reason in his or her working relationships and will have respect for the dignity and private life of others in his or her relations with the other members of the Cynergin team.

### **Sexual and Racial Harassment**

Sexual and racial harassment is defined as unwanted conduct of a sexual or racial nature or conduct based on sex or racial abuse which is offensive to the recipient.

Sexual harassment does not refer to behaviour of a socially acceptable nature. It refers to behaviour which is unsolicited, is personally offensive and fails to respect the rights of others.

The following are examples of inappropriate behaviour covered by Company Policy:

- **Physical conduct of a sexual nature.** This includes unwanted physical contact, including unnecessary touching, patting, pinching or brushing up against another employee's body, assault and coercing sexual favours.
- **Verbal conduct of a sexual or racial nature.** This includes unwelcome sexual advances, propositions or pressure for sexual activity, continued suggestions for social activity outside the workplace after it has been made clear that such suggestions are unwelcome, offensive flirtations, suggestive remarks, innuendoes or lewd comments.
- **Non-verbal conduct of a sexual nature.** This includes the display of pornographic or sexually-suggestive pictures, objects or written materials, leering, whistling or making sexually suggestive gestures, organising kiss-o-grams or strip-o-grams.
- **Sex-based or racially abusive conduct.** This includes conduct which denigrates or ridicules or is intimidatory or physically abusive to an employee because of his or her sex or race, such as derogatory or degrading abuse or insults which are gender-related or of a racial

nature and offensive comments about dress or appearance or physique, hygiene and so on.

Accordingly, acts of harassment against any employee, or anyone associated with the Company, will not be tolerated. Appropriate disciplinary action, including summary dismissal for serious offences, will be taken against any employee violating this policy.

#### **Complaints**

Whenever possible, if employees believe that employees are the subject of sexual or racial harassment, employees should ask the person responsible to stop the harassing behaviour. If the sexual or racial harassment does not stop, or if some employment consequences result, then employees should make a complaint in one of the ways detailed below:

- Report the alleged act to the appropriate line Manager or Director.
- Report the alleged act to Human Resources.

Alleged victims and harassers will be dealt with through the grievance and dispute procedure with sensitivity and confidentiality.

Harassment may also occur between employees outside working hours. The policy consequently applies during social functions or events organised by work colleagues or the Company as well as during conventional work time.

#### **Confidential Information**

Confidential information will not be released to anyone, except to those, including employees, who have a need to know. Confidentiality agreements with non-employee recipients of information should be in place before disclosures are made.

Proprietary confidential information regarding Company matters will not be given to any authorised third party without first having a confidentiality agreement signed by such party.

Employees must take care not to discuss matters of a confidential nature in lifts or in other public places where such discussions are likely to be overheard or misappropriated. Special care must be taken to avoid disclosing confidential information to family or friends.

The obligation is a continuing obligation.

#### **Reporting Integrity**

All company financial reports, accounting records, research reports, sales reports, expense accounts, time sheets and other documents must accurately and clearly represent the relevant facts or the true nature of a transaction. Improper or fraudulent accounting, documentation or financial reporting are contrary to Company policy and may also be in violation of applicable laws. Intentional accounting misclassifications and improper acceleration or deferral of expenses or revenues are examples of unacceptable reporting practices.

#### **Protection and Use of Assets**

Proper protection and use of company assets, including confidential information is a fundamental responsibility of each of us. Employees must comply with procedures to safeguard assets against unauthorised use or removal, as well as against loss by criminal act or breach of trust.

## **Copyright, Inventions and Patents**

All records, designs, documents, drawings, patent and software, papers (including copies and summaries thereof) and other copyright protected works made or acquired by employees in the course of employment shall, together with all the world-wide copyright and design rights in all such works, be and at all times remain the absolute property of the Company.

## **Government Relations**

Employees must adhere to the highest standards of ethical conduct in all relationships with government employees and must not improperly attempt to influence the actions of any public official.

Employees must exert no direct or indirect pressure in any form upon our people to make any political contribution or to participate in the support of a specific political party or the political candidacy of any individual. The Company does encourage our people to participate in the political process.

### ***Payments to Officials:***

Payments or gifts shall not be made directly or indirectly to any government official or employee, in any country, if the gift or payment is illegal under the laws of a country having jurisdiction over the transaction, is contrary to local business practice or ethical standards, or is for the purpose of influencing or inducing the recipient to do or omit to do any act in violation of his/her lawful duty. Under no circumstances should any gift be given to an employee of the United Kingdom government.

*In any event, employees must record all transactions dealing with the Company's funds or assets accurately and in reasonable detail in the Company's books and records. No funds or assets may be established or maintained using Company property for any purpose unless recorded in the Company's books.*

## **Political Contributions**

Company funds, property or services may not be contributed to any political party or committee, or to any candidate for or holder of any office of any government. This policy does not preclude, where lawful, company expenditures to support or oppose public referendum or separate ballot issues, or, where lawful and when reviewed in advance by the Director in charge Legal Affairs the formation and operation, in the United Kingdom, of a political action committee.

## **Company Software Usage**

The Company has the following policy regarding the use of computer software.

- The Company licenses the use of computer software from a variety of outside companies. The Company does not own this software to its related documentation and, unless authorised by the software or its related documentation and, unless authorised by the software developer, does not have the right to reproduce it.
- With regard to use on local area networks or on multiple machines, as a Company employee, employees must use the software only in accordance with the licence agreement.
- Unlicensed or free software must not be utilised on the Company's PCs.

- If employees learn of any misuse of software or related documentation within the organisation, employees must notify the Department Manager or the Head of Legal Affairs.
- According to UK copyright Law, persons involved in the illegal reproduction of software can be subject to unlimited civil damages and to criminal penalties including fines and imprisonment. The Company does not condone the illegal duplication of software. Company employees who make, acquire or use unauthorised copies of computer software will be subject to the disciplinary action which could include summary dismissal.

#### **Data Protection Act 1984**

In common with most major companies, summarised personnel records are held on a computer. The information held is registered under the above Act. It is available for employees to check on written request. Inaccuracies must be brought to the attention of the Human Resources Department immediately. The release of personnel data is restricted to a *need to know* basis. Personal information is not given outside the company during or after employment, except to verify factual employment details or satisfy legitimate investigatory or legal needs. The only information to be provided about past and current employment if requested will be:

- last or current job title.
- employment location.
- The dates of employees total employment.
- Periods of absence.

#### **Data Protection Act 1998**

Under the revised rules of this directive, employees now have the right to obtain access to both computerised and paper based information on themselves.

Salary information is only given to prospective employers and loan, credit or mortgage companies where requests are supported by employees written approval, which must accompany the request.

Subjective opinions or judgements are not given on employees suitability for employment either following a reference request or to enable employees to obtain a loan, mortgage or credit facilities. Neither may employees give subjective opinions or judgements about other employees. If employees do not adhere to this policy employees will be held to be guilty of gross misconduct and subject to summary dismissal.

#### **Consent**

Personal data is not disclosed to doctors, hospitals external investigative agencies or other enquirers without employees written consent, unless disclosure is required by law. This can include police investigation of a crime or injury claim by an employee against the Company.

Salary data is disclosed for survey purposes. Though every effort is made to maintain anonymity individuals might be identifiable in certain circumstances.

#### **Mail and Internet**

All of the Company's normal policies apply to using Mail and the Internet. Consequently, an illegal activity, or one contrary to the company's ethics will not be tolerated by anyone using these methods of communication. The issue of language inappropriate for business use or infringements to corporate

policy on racial, sexual or other harassment are examples of these. Breaches of policy will be treated in accordance with normal disciplinary procedure.

### **Legal issues**

E-mail or Internet communications to third parties may create contractual relationships. Consequently, employees must not initiate communications of this nature unless employees are authorised to do so.

Employees must not use the Internet unless employees have been trained in the legal issues and employees name is registered by the Legal Department.

The Internet is only to be used for business purposes - not for games or social activities

## **Equal Opportunities**

### **Purpose**

To convey the Company's commitment to the practice of Equal Employment Opportunity and to provide guidelines to management for the administration and implementation of the policy.

### **Policy**

The Company is an Equal Opportunity Employer and does not permit discrimination in recruitment on the grounds of sex, race, nationality, ethnic origin, disability marital status, sexual orientation, responsibilities for dependants, age Trades Union or political activities, religious beliefs or spent offences in criminal law.

### **Responsibility**

The **Human Resources Function** (under the direction of the designated Executive Director) is responsible for:-

- Ensuring distribution to all employees of the Company's policy on Equal Opportunities
- Providing training and counselling in how to apply policy
- Assisting managers in identifying problem areas and establishing remedial programmes
- Reviewing employment procedures to ensure that they do not have discriminatory effects and do help to attain goals.
- Monitoring application of policy to ensure that discrimination is not applied in decisions concerning compensation and benefits, recruitment, training, development, terminations, transfers, redundancy selection and discipline.

The **Director responsible for Human Resources** is particularly responsible for:-

- Maintaining and up-dating the Policy and associated procedures to meet legislative requirements and reflect 'best practice'.
- Assuring managerial responsibility in implementing current and amended policies and procedures through advice and counselling.
- Resolving in-Company complaints of discrimination to avoid enforcement agency intervention.
- Representing the Company when enforcement agencies conduct on-site interventions

- Serving as the liaison between the Company and enforcement agencies
- Negotiating all conciliation agreements with enforcement agencies following consultation with the managing director.

**Senior Management** is responsible for supporting policy and implementing it within their respective areas of accountability. Major responsibilities include:-

- Identifying problem areas
- Reviewing job descriptions to ensure that they accurately reflect functional requirements. *Special attention has to be paid to academic experience and competency requirements to ensure that they do not constitute inadvertent discrimination.*
- Taking action to prevent harassment of employees

### Safety

#### **In accordance with the Health and Safety at Work Act 1974: -**

##### **The Company's Responsibilities**

It is the policy of the Company to take all necessary steps to ensure the health, safety and welfare of all employees and any other persons affected by Company operations.

To achieve the above objective, the Company will order its activities to avoid hazards and risks. The Company expects employees co-operation and that of nominated representatives in pursuit of this goal.

The Company recognises the obligation placed upon it by the Health and Safety at Work etc. Act 1974 and subordinate legislation and in particular will strive towards the main objective by providing so far as reasonably practicable:

1. A safe place to work.
2. A work place to which safe access and egress is maintained.
3. Plant, equipment and systems of work that are safe.
4. Safe arrangements for the use, handling, storage and transportation of materials.
5. Adequate information, instruction, supervision and consultation to enable all employees and other personnel so affected, to avoid risks and allow positive contribution towards a safe, healthy and risk free workplace.
6. Adequate welfare and sanitary facilities.

In furtherance of the above objective the Company has instituted a NO SMOKING environment within its premises.

The Board of Directors is responsible for the formulation and approval of this policy whilst the Chief Administrative Officer has overall responsibility for Health and Safety matters.

##### **Duties of Employees**

Employees are reminded of their duties under Section 7 of the Act. This requires employees to take reasonable care for their own health and safety, as well as the health and safety of other workers, including sub-contractors, and of members of the public.

Employees are required to co-operate fully with the Company to enable it to carry out its duties successfully.

Every individual has a responsibility under the Act to:

1. Follow safety instructions and procedures.
2. Report hazards, potential hazards and dangerous situations to their immediate superior.
3. Ensure safe working.

### **First Aid Arrangements**

Local management is responsible for informing all employees of First Aid arrangements applicable in their location and for taking charge in the event of an accident.

Notices specify the locations of the First Aid posts and of the trained First Aiders.

### **Fire Prevention**

Local Management will ensure that a fire prevention plan is in place in their location and that all employees are aware of the procedures to follow. Employees will be given regular fire drills in evacuation procedures in the event of a fire or other emergencies. Instruction in the use of different types of fire extinguisher will also be provided.

## **Alcohol and Drugs**

### **Introduction**

Alcohol and drugs are generally acknowledged as impairing sound consistent judgement and the ability to attend to detail and be courteous. The company's policy on these substances is designed to prevent this from happening. Additionally, it is designed to meet legislative requirements and protect the safety interests of the company, colleagues, customers and members of the public.

### ***Alcohol***

Employees must not:

- Consume alcohol on company or customer operational premises without the approval of management.
- Report to work under the influence of alcohol.

If employees are believed to be under the influence of alcohol employees will initially be sent home. In the absence of any mitigating circumstances, and following a disciplinary investigatory meeting employees will be subject to the normal disciplinary process. The level of sanctions and timetable will be subject to individual circumstances and the degree of co-operation and self help employees demonstrate.

However, employees will remain responsible for their work standards, and continued unsatisfactory job performance will result in appropriate disciplinary action up to and including dismissal.

### ***Drugs***

All staff are prohibited from consuming **illegal drugs** on duty or reporting to work with illegal drugs (as defined by the Misuse of Drugs Act 1971 and subsequent amendments) in their bloodstream, as may be detected through a drug test.

If employees are found to be possessing, supplying or producing illegal drugs it will be reported to the police in accordance with the Misuse of Drugs Act. Tests to establish being under the influence of drugs may be carried out in response to 'managerial concern'. Consequently, employees may be required to provide a breath test or a specimen of urine. To refuse will be considered gross misconduct and subject to summary dismissal.

If this happens, employees will be suspended on full pay until results of the tests are known. Subsequent action will follow the same process as Gross Misconduct. If tests are found to be negative, it may not automatically follow that there will be no disciplinary action, following concern, for example, over performance. They will be conducted by a nominated doctor or specialist-testing agency. Results will be treated as strictly confidential and divulged only on a 'need to know' basis.

The Company's responsibilities for the safety of their staff, customers and the public mean that all staff must disclose to their line manager/director, **in advance of any positive test results or disciplinary action**, the fact that they are receiving treatment for drugs or alcohol problems from their GP or self help agencies. This will be treated in confidence.

Employees are encouraged to volunteer for assistance to medical and/or self-help groups for advice and counselling prior to work performance suffering.

### **Gross Misconduct**

#### **Investigation**

If employees are accused of an act of gross misconduct, employees may be suspended from work on full pay, normally for no more than five working days, while the Company investigates the alleged offence. During this period, employees must be available to attend disciplinary investigation meetings as required. If, on completion of the investigation and the Company is satisfied that gross misconduct has occurred, the result will normally be summary dismissal without notice or payment in lieu.

#### **Gross Misconduct Examples**

There is no absolute definition of gross misconduct, but the following list provides examples of offences which are normally regarded as such. However, this list is only a guide; it is not fully comprehensive and each case will be considered on its own merit.

- a. Theft, dishonesty, and the unauthorised use of property belonging to the Company, its employees or customers.
- b. Misappropriation of Company cash and property.
- c. Knowingly receiving payment for work not performed.
- d. Clocking and time-keeping offences.
- e. Fraud, including the falsification of Company records or expense claims.
- f. Fighting, and/or assault on another person.
- g. Deliberate damage to Company property.
- h. Sexual or racial harassment.
- i. Gross negligence.
- j. Gross insubordination.
- k. Wilfully causing accidents or acting in a manner which may cause injury to others or self.
- l. Unauthorised disclosure of confidential information.

- m. Working for a competitor.
- n. Unauthorised entry into, or unauthorised or improper use of any of the Company's computer systems.
- o. Smoking in an unauthorised area
- p. Refusal to submit to any medical test (including blood and/or urine tests for the presence of alcohol or drugs) or a medical examination requested by the Company in the course of employment.
- q. Unreasonable refusal to give consent to the results of any medical examination, assessment or evaluation of tests being disclosed to a senior member of management.
- r. Supplying false or misleading information at any stage of the recruitment process.
- s. Blatant disregard of Company and/or statutory safety regulations including those of a client whilst working on their premises.
- t. Absence without notice, or approval, for three (3) consecutive working days.
- u. Conduct which has the effect of injuring the reputation, business or business relationships of the Company or any associated Company.
- v. Rudeness or threatening behaviour to a customer or colleague.
- w. A criminal offence arising from or related to an employees work for the Company; or a criminal offence committed outside working hours such as to adversely affect the Company's business reputation, or reflect on an employee's suitability for the type of work which employees perform or which affects the employee's acceptability to other employees.

Further information obtained from the following:

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