Code of Responsible Conduct for Business

Dietmar Kokott
Chairman of the Board

Prof. Dr. Andreas Suchanek
Member of the Board

Wittenberg Center for Global Ethics

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Code of Responsible Conduct for Business

The focal points of the Code

- Trust expectations of the public in business, corporations and their leaders
- Causes for their erosion
- Appropriate measures to cope with these causes
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Understanding of the game
- (Shared) values, beliefs, yardsticks
- Attitude

Rules of the game
- Law, directives
- Social, ecological standards
- Compliance

Actions within the game
- Decisions
- Competition
- Projects
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Stakeholder

1. Normative premises (no harm, fairness, sustainability etc.)

2. Assumptions about the corporations' room for manoeuvre

3. Trust expectations / judgments

Corporation

1. „Values“

2. Conditions which define the room for manoeuvre

3. Decisions / communication
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**Stakeholder**

1. **Normative premises** (no harm, fairness, sustainability etc.)
2. **Assumptions about the corporations' room for manoeuvre**
3. **Trust expectations / judgments**

**Corporation**

1. **“Values”**
2. **Conditions which define the room for manoeuvre**
3. **Decisions / communication**
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1. Principles
   Business must serve the good of the people.
   - Business for the good of the people
   - ... requires competition
   - ... is based on merit
   - ... takes place globally
   - ... must be sustainable
   - ... demands responsible conduct by decision makers

2. Conditions
   - Heterogeneous expectations of the public
   - Scarcity and conflict of interests
   - Social change
   - (...)  

3. Positions
   - (1) Profits are necessary but are not to be made by damaging third parties.
   - (2) Redundancies are the last resort; hardships need to be mitigated.
   - (...)  
   - (6) Responsible corporate governance respects the quality of life of coming generations.

- Inconsistencies
  - (1) High company profits
  - (2) Redundancies
  - (...)
  - (6) (lack of) environmental protection
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The Team

- BASF
- Bosch
- Deutsche Bank
- Henkel
- Metro
- Trumpf

- Facilitation: Wittenberg Center for Global Ethics
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The stakeholder test

Representatives of

- Government and Politics
- Media
- Catholic and Protestant Church
- Unions
- Science
- NGOs
- Companies
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Sustainability: A concept of interaction
Preamble

Business needs to be accepted by the public

Therefore:

- We have formulated a “Code of Responsible Conduct for Business”.
- We wish to establish this code of practice firmly in our companies and we want to be measured by our success in achieving our stated aims. We invite all companies to join our initiative.
- We wish to embark on an intensive dialogue with the public.
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Our principles

- Business must serve the good of the people.
- Business that serves the good of the people requires competition.
- Business that serves the good of the people is based on merit.
- Business that serves the good of the people takes place globally.
- Business that serves the good of the people must be sustainable.
- Business that serves the good of the people demands responsible conduct by decision makers.
Our principles – Example

Business must serve the good of the people

The task of business is to supply goods and services. Business serves the good of the people:

- in their role as consumers, by supplying them with high-quality, affordable and innovative goods and services that satisfy their wishes;

- in their role as employees or entrepreneurs, by offering them the chance to earn a living, to achieve prosperity, to fulfil their personal aspirations and to participate in society;

- in their role as citizens, enabling them to coexist in a spirit of solidarity by paying taxes and social security contributions and entering into voluntary social engagement.
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Our position on controversial topics

- Profits and morality
- Redundancies
- Management remuneration
- Respect for rules
- Representation of interests
- Environmental protection
Our position on controversial topics - Example

- Redundancies

Companies are often accused of lacking a sense of responsibility and being disloyal to employees when redundancies are announced.

*Our position* - Qualified and motivated workforces are essential to the long-term success of companies. Responsible corporate governance demands that employers respect their employees and promote their welfare. All alternative personnel strategies must be explored before redundancies are made; if redundancies are necessary, appropriate consideration must be given to the hardships caused to those affected.
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Our investment in the confidence factor

The company’s internal processes

- Strategy
- Leadership philosophy
- Contracts
- Target agreements
- Performance evaluation
- Training
- Commitment to society
Our investment in the confidence factor

The company’s **external** processes

- Reporting
- Dialogue with important institutions of the society
- Examples of responsible behaviour
- Statements on important controversial topics
Signatory (November 10, 2011)

adidas AG
Airbus S.A.S.
Allianz SE
Apontas GmbH & Co.KG
B. Metzler seel. Sohn & Co. Holding AG
BASF SE
Bayer AG
Bertelsmann AG
BMW AG
Celesio AG
Daimler AG
Deutsche Bank AG
Deutsche Telekom AG
Deutscher Sparkassen- und Giroverband
Dr. Arend Oetker Holding GmbH & Co. KG
E.ON AG
Evonik Industries AG
FUCHS PETROLUB AG
Hapag Lloyd AG
Henkel AG & Co. KGaA
Hochtief AG
HSBC Trinkaus
K+S AG
Kirchhoff Gruppe
Klöckner & Co SE
KPMG AG
LANXESS AG
Linde AG
Deutsche Lufthansa AG
Merck KGaA
Metro AG
Nestlé Deutschland AG
Otto Group
Papierfabrik Scheufelen GmbH & Co. KG
Robert Bosch GmbH
RWE AG
SAP AG
Sozialpartner der Chemischen Industrie (BAVC/IGBCE)
Trumpf GmbH & Co. KG
UniCredit Bank AG/HypoVereinsbank
VNG – Verbundnetz Gas AG
Volkswagen AG
Wacker Chemie AG
Social cooperation is not simply governed by the law alone: it also depends on many individual relationships that are built on trust.